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*Poverty in Rural
Areas*

Development of Agriculture's Human Resources

A Report
on Problems
of Low-Income
Farmers

1955

*Prepared for
The Secretary of Agriculture*

UNITED STATES DEPARTMENT OF AGRICULTURE

United States
Department of
Agriculture



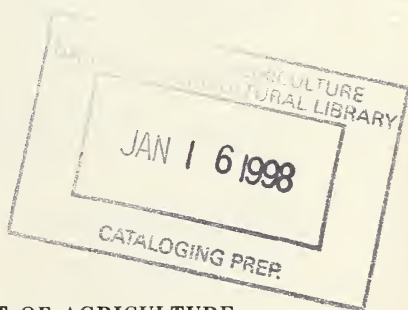
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U. S. DEPARTMENT OF AGRICULTURE

Washington, D. C.

April 1955

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THE PRESIDENT,
THE WHITE HOUSE.

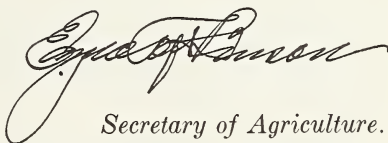
DEAR MR. PRESIDENT: AS you requested in your Special Message on Agriculture of January 11, 1954, attention has been given to the problems peculiar to farmers with low incomes. A study has been in progress now for more than a year. Results of the study are presented in this Report, which was prepared by the Department of Agriculture.

This Report draws on information supplied by the major farm organizations. Factual findings of the State agricultural experiment stations and other research institutions were supplied. The judgment and counsel of practically all recognized authorities in this field were made available to us. Organized groups from labor, business, and the churches were consulted. Resources were drawn from the Departments of Agriculture; Defense; Commerce; Health, Education, and Welfare; and Labor, as well as from the Veterans' Administration and the Farm Credit Administration. Congressional reports and publications were used. We leaned heavily on the experiences of men in the local communities, in the State agencies, and in the Department of Agriculture who have dealt at first hand with these problems for many years.

The study was a cooperative one. The National Agricultural Advisory Commission provided a setting for the review. Substantial agreement was reached by all participating groups regarding recommendations contained in the Report.

I am transmitting to you, separately, my specific recommendations regarding the launching, during this year, of the long-range program outlined in the Report.

Respectfully yours,


Secretary of Agriculture.

PREFACE

THIS study has been focused on farm people—their needs, their goals and the obstacles they encounter. The principal cause of concentrations of farm people with low earnings has been found to be the inadequate agricultural resources in certain areas rather than any lack in the people themselves.

Proposed solutions of the problem of low income might be based on ideas about the merits of rural as contrasted with urban life. Solutions might be strongly influenced by an opinion as to the size of farm deemed desirable from the standpoint of the national interest. Instead, the hopes of the people themselves have been taken as a guide. Proposed solutions are those which the people most concerned have chosen, as shown by their economic and social behavior. Recommendations are of such a nature as to speed the adjustments which have proved sound over a long period of years.

This study, therefore, sets up no goals other than those voluntarily chosen by the people. The basic philosophy is that people will make wise decisions if they are informed regarding their various opportunities and if their capabilities are enhanced so as to increase the number of choices available to them. Insofar as individuals make wise decisions the national welfare will be advanced.

Special attention has been focused on the young people in the belief that they stand to gain most from a program which will increase the number of opportunities, the awareness of them, and capacities to take advantage of them.

The study emphasizes that the foundation for programs to increase opportunities available to low-income people is the interest and enterprise of local people and communities. But cooperative effort by local communities, private enterprises and the State and Federal Governments can make possible much more rapid improvements in levels of living of low-income families.

The approaches must be broadly formulated. An important part of the solution to the problems of farmers with low earnings lies outside commercial agriculture. Part-time farming and nonfarm employment have long been important avenues through which many farm people have improved their incomes and living levels. Both currently and prospectively, changes in agriculture take the form of the continued movement of many farm people into nonfarm occupations.

While this report is comprehensive, it does not concern itself with all phases of low-income problems in agriculture. For example, it does not cover problems of migratory agricultural workers. Consideration is being given to these problems by the President's Interdepartmental Committee on Migratory Workers.

This report was prepared for the Secretary of Agriculture under his broad authorization, by representatives of various agencies of the United States Department of Agriculture. Numerous task forces were used to develop various sections of the study. These had the active help and cooperation of other departments of the Government. Suggestions were invited from interested groups and organizations from all across the Nation.

Development of Agriculture's Human Resources

SUMMARY AND RECOMMENDATIONS

One of the important farm problems in this country is the development of human resources in agriculture. Farm families with low earnings make up more than a fourth of all the farm families. In the United States, in 1950 there were roughly 5.4 million farm operator families in all. Out of these, about 1.5 million had cash incomes under \$1,000 (table 1). Most of these families are on small farms.

President Eisenhower, in submitting his recommendations for a new program to the Congress in January 1954, stated that the Secretary of Agriculture in cooperation with the National Agricultural Advisory Commission would "give further special attention to the problems peculiar to small farmers."

In line with this directive, a review has been made of this problem. This report has been prepared for the Secretary of Agriculture by the United States Department of Agriculture. The purpose is to improve programs already in operation, develop others which are feasible, and suggest further proposals which the Congress may consider.

The procedure has been to review such programs as are in effect in each key area and develop suggestions to improve them. Task forces have been set up, drawn from various government departments and private groups. These have studied various aspects of the problem as will be indicated in this report.

The approach to this problem is here regarded as primarily educational and developmental. There appear to be some direct aids in the way of credit, improved opportunities for off-farm employment, and the like, which can be offered. But it is considered that what-

TABLE 1—*Number of farm operator families with specific characteristics, classified by net family incomes, United States, 1950*¹

| Type of farm family | Total | Net cash family income from all sources | |
|---|------------------|---|------------------|
| | | Under \$2, 000 | Under \$1, 000 |
| | <i>Thousands</i> | <i>Thousands</i> | <i>Thousands</i> |
| All farm operator families | 5, 379 | 2, 849 | 1, 513 |
| Farm operator families on small farms ² | 3, 287 | 2, 145 | 1, 269 |
| Farm operator families on small farms with heads under 65. | 2, 680 | 1, 691 | 943 |
| Families with operator working off-farm 100 days or more. | 1, 091 | 404 | 156 |
| Families with operator working off-farm less than 100 days. | 1, 589 | 1, 287 | 787 |

¹ Derived from "Farms and Farm People," A Special Cooperative Report, U. S. Department of Commerce and U. S. Department of Agriculture, June, 1953.

² Farms where the gross sales of farm products were less than \$2,500 in 1949.

ever is done must be done within the American philosophy that each individual make his own decisions and set his own goals. Government has responsibility in keeping open the channels of opportunity.

Obviously, this must be a long-range program.

Some improvements have been going on. Some farmers have enlarged and improved their farm operations. Others have found off-farm jobs. Numbers of small, low-income farms have declined (fig. 1). These trends need to be stepped up. The proportion of our farm families on small, low-income farms remains large.

It may be stated as a broad premise that most of the large group of farmers on low-income farms have not shared much in the great advance of agricultural techniques. Many such farms are too small to fit the mechanized farming of the present day. Some of the soils are unproductive. Some of the farmers are old or incapacitated. On the other hand, the large numbers of able-bodied men and women in this group present a challenge to official and private agencies to point the way, if possible, to better incomes and living.

There are nearly a thousand counties in the United States where more than half of the farmers are mainly dependent on the income from small, poorly paying farms. What they are up against, in innumerable cases, is lack of enough good land, lack of equipment, lack of credit facilities, and often lack of the management information and skill which might open wider opportunity to them. In other cases, part- or full-time off-farm employment may be their best opportunity. With better information, training, sometimes credit, sometimes job opportunities off the farm, they can achieve a reasonably good living. They can thereby contribute a larger part to the community and national welfare.

Any substantial reorganization in the areas of limited opportunity is bound to be a long-term process. The job is a large one and is to be undertaken with a sense of persistent effort and of necessary continuity.

As an example, the Mississippi Agricultural Experiment Station recently estimated that the efficient reshaping of farm resources in the Mississippi uplands would mean larger farms and probably double the amount of capital. It also would involve a 60-percent reduction in the number of farm workers. Such changes would take time. The challenge is how to permit the speeding up of solutions already underway by education and by the practical application of credit, employment services, and other facilities which may be brought to bear by official or private agencies.

Of course, the changes in these low-income areas are tied to broader changes which are at work so widely in the whole American economy. The shift from an agricultural to an industrial society has brought a vast demand for industrial workers, and at the same time mechanization has lessened the need for as many workers as formerly on the farms. There has been a considerable movement from farms to urban industry. As output per farm worker goes on increasing, still fewer hands will be needed in agriculture for some time to come, which means a further movement from farm to town, especially from the low-income areas.

Even if our number of farmers were to remain stable during this 1950-60 decade, the mathematical fact is that a fourth of farm-reared

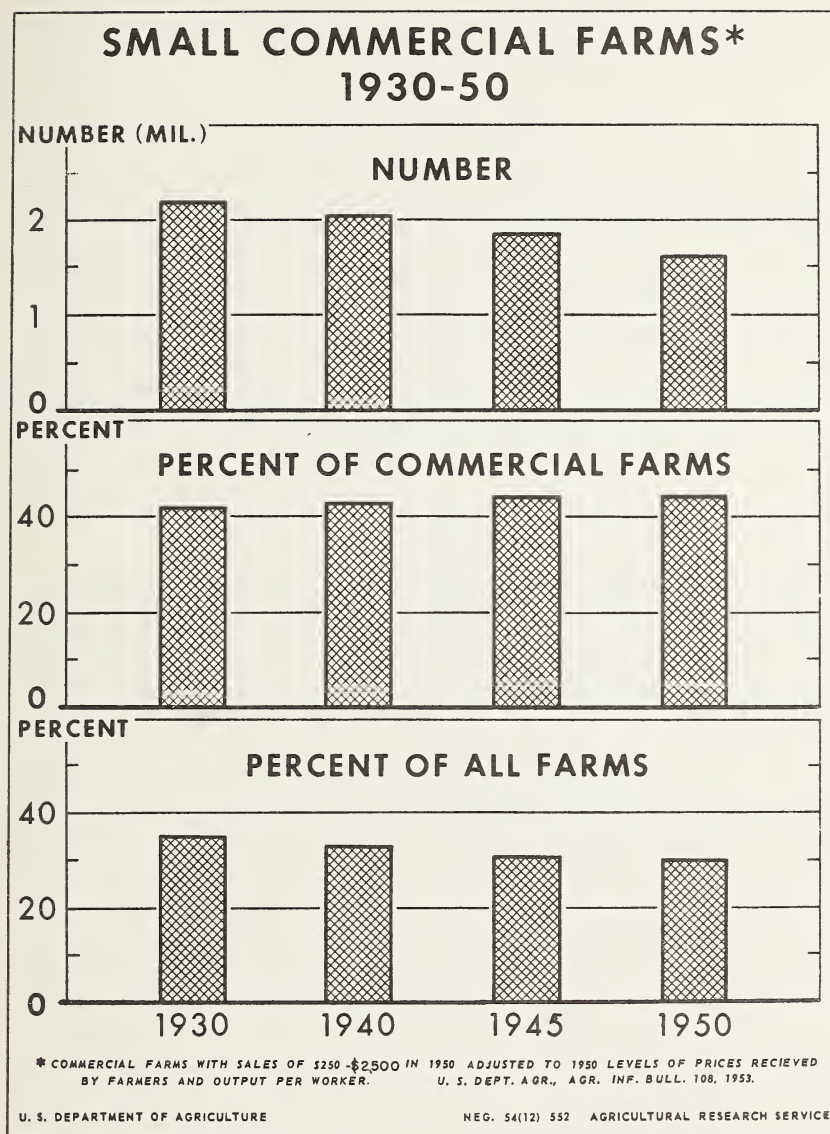


FIGURE 1.

young men would have to be working off farms. In low-income areas this proportion may be a third to a half.

But a technological revolution is taking place on our farms and the hours of labor needed to supply our food needs is decreasing. Perhaps half of our farm youth will desire full- or part-time, off-farm employment during this present decade.

THE APPROACHES

Obviously the greatest need on the low-income farms is the opportunity for greater earnings. In attaining this goal more educational, developmental, and other services are needed. It is these services which may do most to improve the outlook for the coming generation—a consideration of importance when the long-time nature of this problem and its solution is understood.

One part of the problem centers around the older people or those partially incapacitated. For these, probably little practical aid can be given outside the range of welfare and social security services. The recent legislation broadening the coverage of social security will apply very helpfully in this field. In 1950 there were more than 300,000 aged operators on farms with incomes of less than \$1,000. In some cases a son or relative helps out with the work or care on these places. But the number of cases as a whole are numerous enough to constitute a moving humanitarian problem.

With respect to the younger, able-bodied farmers in these areas, the chances for enlarging their earnings seem to lie in two general directions: First, by way of more capital, more land, better management and better information on crops and livestock; second, by way of more off-farm job opportunity. Vocational training and other informational and educational aids will help them either in farming or in nonfarm jobs.

The principal changes in these areas will be made by the young people, many of whom have not yet completed their education. It is important that these young people have opportunities for vocational training for both agricultural and nonagricultural pursuits. A sound program must be aimed to help them to help themselves.

Increased Productivity in Agriculture.—Farm technological developments make possible larger farms, improved production practices, and new systems of farming in several of the low-income areas.

Programs for increasing productivity in commercial farming in low-income farm areas must differ from educational programs in other areas. Efforts to improve productivity in commercial farming must be carried out hand in hand with efforts to broaden opportunities for nonfarm employment. Educational approaches must be adapted to reach people with little formal school training and small financial reserves. Technical assistance and advisory programs must be integrated with credit programs necessary to finance adoption of improved practices.

Improved Prospects in Part-Time Farming and Nonfarm Jobs.—Opportunities of this type need to be expanded. Important in this are developments to increase industrialization, part-time farming, nonfarm employment opportunities, and economic mobility.

Expanded and improved information services on job opportunities locally and outside the area should be made available. Measures should be taken to bring low-income farm areas into full consideration in industrial expansion. Services should be made available to assist low-income farmers in determining the merits of part-time farming, both as a more or less permanent activity and as a transitional step to full-time farm or nonfarm work.

Increased Opportunities for Training.—The long-term outlook for improved living in these areas depends largely on the young people now growing up there. Yet only a small percentage have a high school education, and vocational training is seldom within easy access. This limited education and training is a handicap to making the adjustments needed for improving living standards in the areas.

Defense Resources.—The Nation will be strengthened, both for peacetime and defense production, if the problems of low-income farmers are met. Improved education and technical skills, especially in low-income areas, are in the national interest. Need for improved health facilities and better diets is shown by the number of young men not suitable for military service. The move to decentralize industry and locate it in areas of abundant rural labor can be important in defense strategy and will bring supplemental income to families on small farms.

GENERAL RECOMMENDATIONS

1. Federal and State services together should develop and expand technical assistance and extension work with low-income and part-time farmers. During 1955 experimental programs should be launched in a number of counties to gain experience in new approaches.

2. Private as well as cooperative lending agencies should be encouraged to adopt lending policies which would extend more intermediate-term credit to worthy borrowers who are developing their farms.

3. More Farmers Home Administration funds should be made available for intermediate credit to supplement private and cooperative sources. These loans, supported by management guidance and technical services, would assist low-income farmers to become soundly established in a successful system of farming.

4. A State-Federal research program should be undertaken to canvass the problems of such areas and explore approaches. This would give a factual picture of the needs with respect to farming adjustments, local opportunities for off-farm work, improved vocational training and related aspects in community improvement.

5. State and regional meetings should be held by land-grant colleges, credit agencies, and other groups in cooperation with the U. S. Department of Agriculture with the objective of developing programs adapted to local needs.

6. State employment services should improve their services to facilitate employment in farm and off-farm jobs in low-income rural areas.

7. Areas of rural underemployment should be identified and included as part of the labor market services to make occupational adjustments easier.

8. The Department of Agriculture should work with the Office of Defense Mobilization and other agencies on the program of dispersing defense industries, with a view to setting up criteria whereby regions with underemployed rural labor can be recognized as sources of labor supply.

9. Steps should be taken to develop more educational and vocational training opportunities needed by farm families with restricted economic opportunities. Revised formulas for grants in aid for vocational education should be considered. All possible ways of improving educational programs and of making them more readily available to farm people should be explored. Special attention should be given to factors that motivate farm people and to developing greater individual and family interest in getting a better education.

10. The Department of Agriculture and the Department of Health, Education, and Welfare should encourage and appropriately assist States and communities to set up experimental vocational training programs as pilot studies in typical low-income areas. These programs should be designed to increase the individual opportunities to prepare for farm and off-farm employment.

11. The Department of Agriculture and State colleges of agriculture should encourage farm leaders to take part in the State conferences on education that are now being developed in connection with the White House Conference on Education scheduled for November 1955.

12. Inclusion of farmers under the social security program beginning in 1955 was an important step aimed at giving more family security, especially for low-income farmers. Steps should be taken to see that all rural people know how to qualify under the program, and how to use the social security payments to get maximum benefits.

13. Improved health should be promoted. Some of the most urgent needs are better nutrition, development and use of voluntary health insurance, recruitment of medical personnel (especially nurses), promotion and establishment of clinics and other facilities.

14. Trade area programs and community development programs have been effective in increasing incomes and raising living standards. Farm, business, and other leadership should assume local responsibility and unite in efforts to develop agriculture's human resources.

These and other steps are discussed in the sections that follow.

THE MAJOR PROBLEM AREAS

Farms with low income are found in all parts of the country, but such farms are most numerous in areas of dense rural settlement with high birth rates, where there are few outside jobs, and where topography or other obstacles hinder the use of modern machinery. In some places the land is overcrowded, so to speak. The abundance of hand labor has tended to reduce the incentive for making adjustments which would give the farms higher earning power per worker.

Problem areas are shown on the map (fig. 2). Of course the nature of specific problems and the range of possible adjustments vary greatly among and within these generalized areas.

LOW INCOME AND LEVEL OF LIVING AREAS IN AGRICULTURE

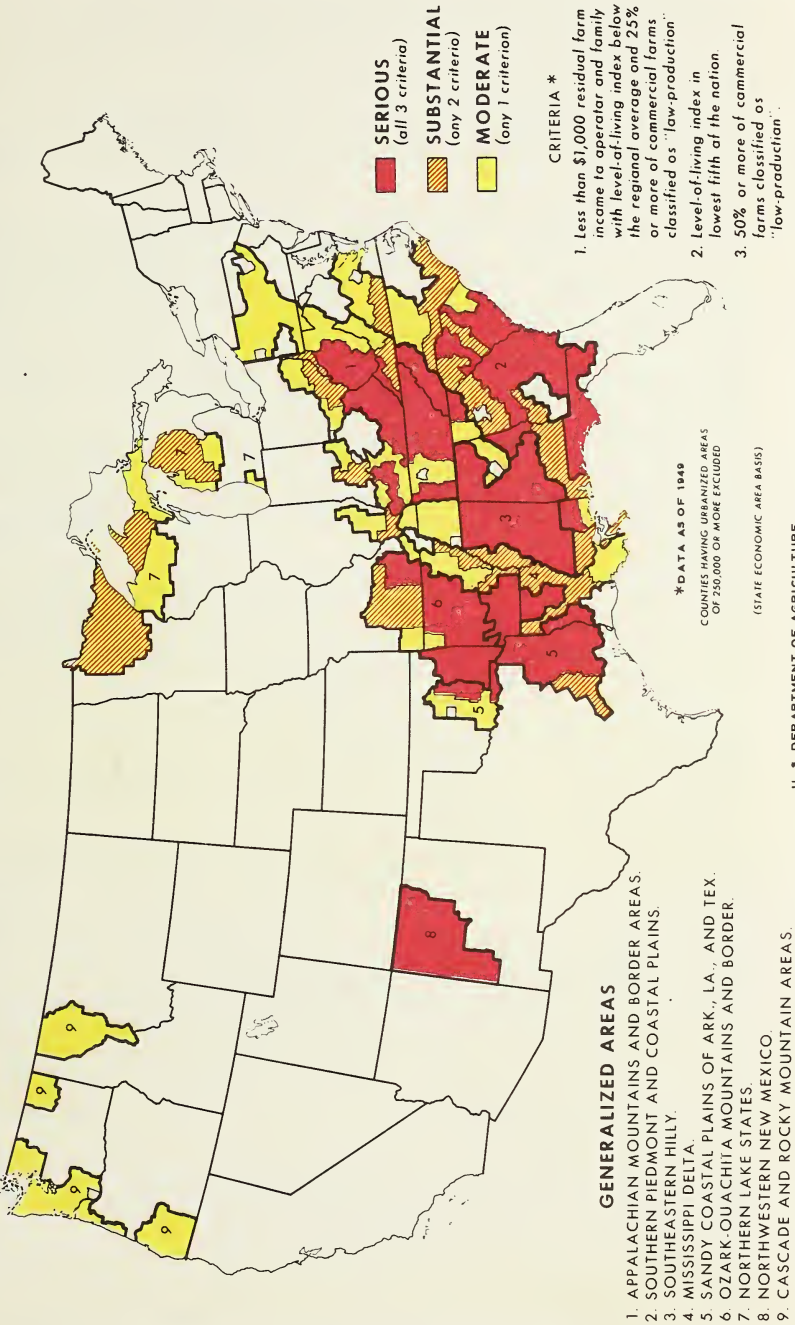


FIGURE 2.

These areas were set up on the basis of three criteria: Net income of full-time farmers, level of living, and size of operation.¹ Thus, areas with incomes under \$1,000, or having a level of living in the lowest fifth of the Nation, or having 50 percent or more of the commercial farms classed as low production, were selected for study. The area colored red on the map shows where all three of these criteria applied and represents those parts of the country where the problem is most serious.

These problem areas, so-called, strikingly contrast with the rest of the United States. Within these areas in 1950 there were a million full-time farmers of working age who sold less than \$2,500 worth of products (table 2). Out of this gross sum they had to pay expenses and rent as well as family living. They represented about 40 percent of all the farms in these areas. Another 40 percent also sold less than \$2,500 of products but were primarily nonfarmers or were more than 65 years old. Less than a fifth of the farms in these areas produced and sold \$2,500 worth of products.

In the rest of the country three-fifths of the farmers sold \$2,500 worth of products or more. Another fifth were engaged in off-farm work or were more than 65 years old. Only a fifth, roughly half a million, were of working age, running farms full time, and selling less than \$2,500 worth of products.

Education among farmers from the low-income areas is below average (table 3). In the problem areas they average only 7 years of school completed and only 1 out of 10 is a high school graduate. By contrast, other farmers in the Nation average 8½ years of school and 1 out of every 4 is a high school graduate.

The farmers in the problem areas average somewhat older than outside—although 85 percent of them are under 65 years of age. They also differ from other regions in racial composition, one-fourth being nonwhite. Elsewhere the nonwhite farm population is only one-seventeenth of the total.

In the problem areas the investment in land and buildings is only about one-third that elsewhere (table 4). Cropland averages only 40 acres, compared with 120 acres outside these areas. Studies in-

¹ The criteria by which each State economic area in the Low-Income and Level-of-Living Areas was delineated are as follows:

1. A residual farm income to operator and family labor in 1949 of less than \$1,000 provided the State economic area had a level of living index below the average for the region and had 25 percent or more of its commercial farms classified as "low production." Residual farm income to operator and family labor represents the income (including value of home use) above operating expenses and a return to capital invested in land and machinery. See Strand, E. G., Heady, E. O. and Seagraves, James, "Productivity Levels in the United States," USDA, ARS, Tech. Bul. (in process).

2. A level of living index in the lowest fifth of the Nation. Items in the index include (1) percentage of farms with electricity, (2) percentage of farms with telephones, (3) percentage of farms with automobiles, and (4) average value of products sold. See "Farm Operator Families Level of Living Indexes," by Hagood, M. J., USDA, BAE, 1952.

3. "Low production" farms comprising 50 percent or more of the commercial farms. Low-production farms are those with sales of \$250-\$2,499 with the operator not working off farm as much as 100 days and farm sales exceeding family income from other sources. See "Low Production Farms," Agri. Inf. Bul. 108, by McElveen, J. V., and Bachman, K. L., USDA, BAE, 1953.

TABLE 2—*Number of farms by farm sales and by age and major occupation of farm operators, generalized problem areas contrasted with the remainder of the United States, 1950*

| Type of farm | Generalized problem areas | Remainder of the United States |
|---|---------------------------|--------------------------------|
| | <i>Thousands</i> | <i>Thousands</i> |
| All farms..... | 2, 474 | 2, 905 |
| Farms with a value of products sold of under \$2,500..... | 2, 059 | 1, 228 |
| Operator over 65 or engaged primarily in nonfarm work..... | 1, 076 | 847 |
| Operator under 65 and engaged primarily in agriculture ¹ | 2 983 | 381 |

¹ Excludes operators 65 years of age and older and those working off-farm 100 days or more. Excludes, also, 225,000 farms on which the operator did not work off-farm as much as 100 days but had other income exceeding sales of farm products. These were included with operators engaged primarily in nonfarm work. It was presumed that most of these would not be classified as low-income farm families.

² The number of these farms by value-of-product groups is as follows:

| | |
|-------------------------|----------|
| \$1,200 to \$2,499..... | 344, 000 |
| \$250 to \$1,199..... | 419, 000 |
| Under \$250..... | 220, 000 |

On farms with under \$250 sales, age and days of off-farm work were the only criteria applied.

TABLE 3—*Percentage of the rural farm population 25 years of age and over completing specified educational levels, 1950 ¹*

| Years of schooling | Generalized problem areas | | | | Remainder of the United States |
|---|---------------------------|----------------|----------------|----------------|--------------------------------|
| | Total | Serious | Substantial | Moderate | |
| | <i>Percent</i> | <i>Percent</i> | <i>Percent</i> | <i>Percent</i> | <i>Percent</i> |
| Less than 8 years completed..... | 54. 8 | 59. 3 | 60. 0 | 44. 6 | 27. 4 |
| Completing 8 years but not high school..... | 33. 4 | 31. 0 | 29. 8 | 39. 6 | 46. 2 |
| Completing high school or more..... | 11. 8 | 9. 7 | 10. 2 | 15. 8 | 26. 4 |
| Total..... | 100. 0 | 100. 0 | 100. 0 | 100. 0 | 100. 0 |

¹ Special tabulations from United States Census.

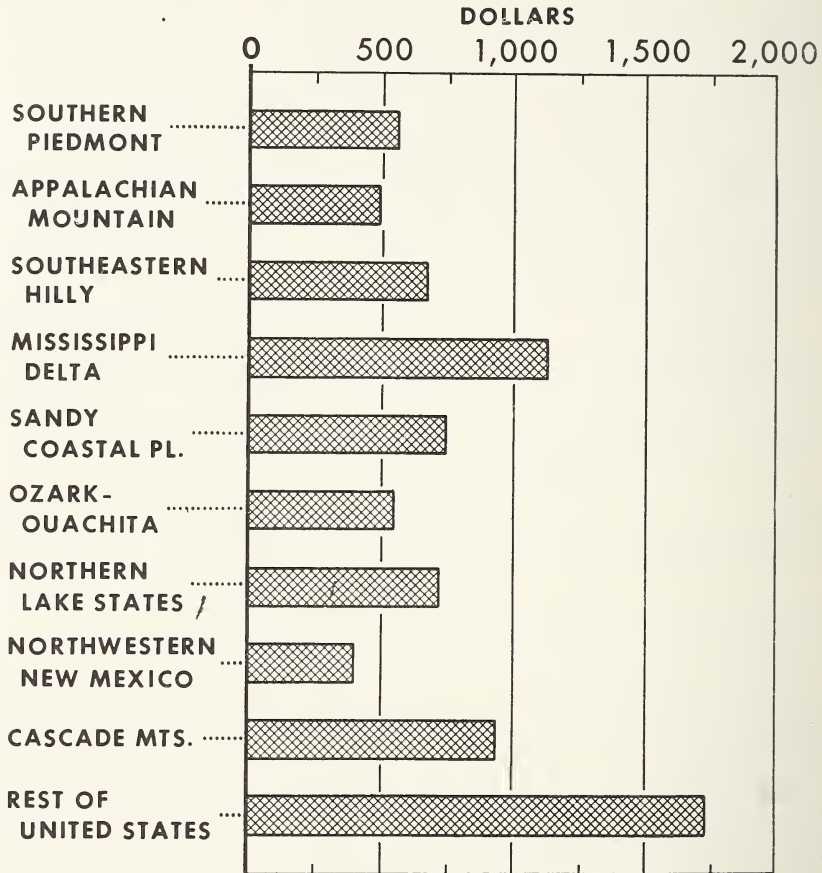
dicates that net incomes are less than half those in the rest of the country (fig. 3).

Although most farmers in the problem areas are owners, these areas include 80 percent of the sharecroppers in the country. Sharecroppers are most numerous in the Mississippi Delta and to a lesser extent in the Piedmont and Coastal Plains.

Farms in these areas are little mechanized, relatively. Only a third of them reported tractors in 1949. By contrast, three-fourths of the commercial farms in the rest of the country reported one or more tractors.

AVERAGE NET INCOME OF COMMERCIAL FARMERS*

Selected Type-of-Farming Areas and Rest of United States, 1949



*RESIDUAL INCOME FOR OPERATOR AND FAMILY LABOR AFTER DEDUCTING CASH EXPENSES, DEPRECIATION, AND INTEREST ON INVESTMENT.

FIGURE 3.

TABLE 4—*Specified characteristics, generalized problem areas compared with the remainder of the United States, 1950*

| Item | Generalized problem areas | | | | Remain- der of United States |
|---------------------------------|---------------------------|---------|------------------|---------------|---------------------------------------|
| | Total | Serious | Sub- stantial | Mod- erate | |
| Rural farm population | | | | | |
| thousands..... | 11, 037 | 5, 084 | 2, 740 | 3, 233 | 12, 011 |
| Percent of United States | | | | | |
| total.....percent..... | 48 | 22 | 12 | 14 | 52 |
| Nonwhite farm population | | | | | |
| percent..... | 24 | 26 | 34 | 13 | 6 |
| Commercial farms ¹ | | | | | |
| thousands..... | 1, 402 | 543 | 399 | 459 | 2, 305 |
| Percent of United States | | | | | |
| total.....percent..... | 38 | 15 | 11 | 12 | 62 |
| Farms with incomes be- | | | | | |
| tween \$250 and | | | | | |
| \$2,500.....percent..... | 71 | 81 | 71 | 59 | 27 |
| Average per commercial farm: | | | | | |
| Land in farms.....acres..... | 138 | 155 | 118 | 135 | 359 |
| Cropland harvested.....do..... | 41 | 37 | 40 | 46 | 118 |
| Value of land and buildings | | | | | |
| dollars..... | 7, 762 | 6, 429 | 7, 026 | 9, 670 | 23, 798 |
| Value of farm products sold | | | | | |
| dollars..... | 2, 747 | 2, 111 | 2, 789 | 3, 461 | 7, 751 |
| Percentage of commercial farms: | | | | | |
| Owners, part owners, and | | | | | |
| managers.....percent..... | 63 | 63 | 53 | 72 | 73 |
| All tenants.....do..... | 37 | 37 | 46 | 28 | 27 |
| Croppers.....do..... | 16 | 14 | 25 | 10 | 2 |
| Reporting a tractor.....do..... | 34 | 25 | 30 | 49 | 74 |

¹ Commercial farms are those having sales of \$1,200 or more and in addition, farms with sales of \$250 to \$1,199 with the operator working off-farm less than 100 days and having farm sales exceeding income from other sources.

The three major soil groups found in the problem areas are: (1) The Red and Yellow Podzolic soils which dominate the southeastern United States; (2) the Grey-Brown Podzolic soils of the Appalachian and Northeast; and (3) the alluvial soils along the Mississippi River. Technological advances have recently raised the agricultural potential of these soils, especially the Red and Yellow Podzolic soils.

The serious low-income areas, colored red on the map, merit separate mention. In these areas production, income, and level of living all fall below minimum standards. Except for the area in northwestern New Mexico, these areas lie entirely within the South and Border South. They encompass the old Cotton Belt, with the exception of the fertile Mississippi Delta and sections that have switched to tobacco or peanuts or which are near large industrial centers. They also encompass most of the Appalachian and Ozark Mountains and plateaus.

The "serious" areas are mainly rural. They have a total population of 13½ million but there is not a single city within them of as much as 150,000 people. Movement away from farms is heavy but families

are large and the number of young people coming along is larger than can live well in the present area economy.

In the "serious" areas are 1,100,000 farms. (See table 5.) Nineteenths of them had farm sales of less than \$2,500. Half of these farmers were dependent largely on their farm income and were under 65 years of age.

The value of land and buildings is less than \$5,000, on the average. In 1950 only a fourth of all farms in the "serious" areas had tractors. Many farms are too small to use such machinery effectively. Although there are some good soils, much of the land is hilly or eroded or of low fertility.

TABLE 5.—*Number of farms and percentage of specified types with less than \$2,500 gross sales of farm products, generalized problem areas compared with the remainder of the United States, 1950*

| Area | All farms | Farms with less than \$2,500 gross sales | | |
|--|-----------|--|--|---|
| | | Total number | With operators of working age and primarily dependent upon farming | With operators over 65 or dependent on other income |
| | Thousands | Thousands | Thousands | Thousands |
| Generalized problem areas ----- | 2, 474 | 2, 059 | 983 | 1, 076 |
| Serious ----- | 1, 105 | 999 | 488 | 511 |
| Substantial ----- | 619 | 502 | 259 | 244 |
| Moderate ----- | 750 | 557 | 236 | 321 |
| Appalachian ----- | 719 | 610 | 250 | 360 |
| Southern Piedmont and Coastal Plains ----- | 604 | 493 | 244 | 249 |
| Southeastern Hilly ----- | 389 | 349 | 202 | 147 |
| Mississippi Delta ----- | 210 | 161 | 110 | 51 |
| Sandy Coastal Plains of Arkansas, Louisiana, and Texas ----- | 186 | 159 | 67 | 92 |
| Ozark-Ouachita Mountains and border ----- | 185 | 158 | 70 | 88 |
| Northern Lake States ----- | 103 | 72 | 29 | 43 |
| Northwestern New Mexico ----- | 9 | 8 | 3 | 4 |
| Cascade and Rocky Mountain areas ----- | 69 | 49 | 10 | 39 |
| Remainder of the United States ----- | 2, 905 | 1, 228 | 381 | 847 |

GENERALIZED PROBLEM AREAS

Area 1—APPALACHIAN MOUNTAINS, VALLEYS, AND PLATEAUS

Largely mountainous country and broken plateaus. Good tillable land is scanty but the farm population is large. Until recent years large parts of the area have been rather isolated. Burley and dark

tobacco farms are the most common commercial types, but the average tobacco allotment is very small. Livestock farms are a close second in number, followed by general farming.

Industrial jobs are spotted in the area but have been good in parts of the Tennessee and Ohio River Valleys. The decline of the coal industry, especially in the Cumberland Plateau, has seriously cut the off-farm income for many small farmers.

Migration of people out of this area has been heavy since 1940. However, farm families are large, with more children than could be absorbed in agriculture even if the size of total farm population remained steady.

Area 2—SOUTHERN PIEDMONT AND COASTAL PLAINS

This large area extends from central Virginia to southeastern Louisiana, with two divisions, the Piedmont and Coastal Plain. The Piedmont is rolling or hilly; most of its soils have been abused and are naturally low in plant nutrients but respond to soil and water conservation practices. The Coastal Plain is much more level. Its upper portions are similar in soil type to the Piedmont, but the lower portions are mostly poorly drained sand and muck soils.

Cotton and flue-cured tobacco are the major crops. Peanuts dominate in smaller sections. In the last 30 years tobacco production has expanded while cotton has shrunk. The farm population is nearly 40 percent nonwhite.

Major sections of the Piedmont have offered industrial employment, especially in textiles; but this has not been true of the Coastal Plain, except in the port areas.

Area 3—SOUTHEASTERN HILLY AREA

This represents largely the coastal plain west of the Appalachians and east of the Mississippi River. Topography ranges from prairie to low hills. Soil conditions are similar to those in interior portions of area 2. Cotton is the major source of cash income on three-fourths of the farms.

Average value of land and buildings was only \$4,500 in 1950, lower than in any other area. About four-fifths of all commercial farms are in the low-production category. Off-farm work has been hardly worth noting until recent years. Forty percent of the farm population is nonwhite. Nearly half of the commercial farmers are tenants.

Area 4—MISSISSIPPI DELTA

Farm income in the flood plain of the Mississippi averages more than \$1,000, highest of the problem areas. But levels of living are commonly low and more than half the farms are in the low-production category.

This area is different in that it is well endowed with fertile soil, not subject to erosion. The crops grown, cotton, rice, and sugar cane, are raised under plantation type of operation, 40 percent of the land being in multiple-unit operations. Seventy percent of all farmers are tenants, with 40 percent sharecroppers. Part-time and residential farming are much less important here than in other areas.

The pull of employment elsewhere plus the use of laborsaving machinery in cotton production have resulted in a steady decline in number of sharecropper families, and have changed the status of others. Average education of farm adults is only 5.5 years, lower than in any other area.

Area 5—SOUTHWESTERN SANDY COASTAL PLAIN

The soils of the westernmost part of the old Cotton Belt were long devoted to cotton and corn, but produce those crops poorly in comparison with other areas. Since 1930 much of the land has been taken out of cultivation and livestock has assumed major importance. The farm population has declined very rapidly. More than half of all farms in the area are now residential or part-time. Mechanization has been slow except in central Oklahoma.

Some of the land is being reforested and lumber products are important. Petroleum is also important. Other industries are largely lacking. Thirty percent of the farm population is nonwhite.

Area 6—OZARK-OUACHITA MOUNTAINS AND BORDER

This highlands area has many physical and population characteristics of the Appalachian country. Its cash crop has been cotton, however, instead of tobacco. Less than half the land is in farms and only a fraction of that is cropland. The great majority of farmers are owners.

Dairy, livestock, and poultry have become of increasing importance, especially in the northern portion, but nearly half the farms are residential or part-time and more than seven-tenths of the rest are small scale commercial. Migration away from the area has been heavy.

Area 7—NORTHERN LAKE STATES

This territory was settled mainly as a lumbering and mining area. With the gradual exhaustion of the timber after 1900, and with the decline of certain mining areas, farming developed. But the soils are shallow and infertile, the season is short, and distance to markets is a problem. About half the farms are low in production. Dairying is the most common type of farming. Through some abandonment of farming, rural zoning, resort development, and reforestation conditions have improved.

Area 8—NORTHWESTERN NEW MEXICO

This is a dry and mountainous country through which runs the Continental Divide. Most of the farms are in the upper Rio Grande Valley east of the divide and on the Indian reservations to the west. Only a third of the farms produce enough to be called commercial farms. Most of the rest are residential farms, but many of these are run by young and middle-aged men who have less than 100 days of off-farm work in a year. The land here is little different from other parts of the Southwest.

Most of the farm people, especially in the Rio Grande Valley, are poorly educated, farming small irrigated acreages for home use. The

majority of them speak Spanish. The remainder are largely Indian, many of whom are illiterate and do not speak English. More than 90 percent own their own land. Families are large. Health conditions are poor.

Area 9—CASCADE AND NORTHERN ROCKY MOUNTAINS

This embraces most of the land west of the Cascade Mountains in Oregon and Washington, plus northernmost portions of the Rocky Mountains in Washington and Montana. Most of the land is in forest or has been cut over. Most of the low-income families are on poor soil and adverse terrain.

Nearly a fourth of these farmers are 65 years old, or older, a higher proportion than in any other area. Only a fourth are under 45 years of age, a very low proportion. Educational levels are good, higher than the national average. Nearly half the farms are part-time or residential.

Though farm income averages less than \$1,000, fewer than half the commercial farms are low-production farms. Dairying is the principal enterprise in the Cascade areas, while cattle ranches are the most common type in the Rockies. In the western portion of the area, nonfarm population growth and industrial development have been heavy since 1940.

RESEARCH AND EXTENSION

In the past, research and extension activities have not reached many of these low-income people effectively (table 6). One reason has been lack of appeal to low-income farmers of the generalized type of services commonly provided. Another has been that solutions for this problem are peculiarly dependent upon an integrated attack

TABLE 6—*Percentage of farmers who had adopted certain recommended practices by value of gross sales, Washington County, Ky., 1950*¹

| Practice | Annual value of crops and products sold | | | |
|--|---|-----------------|-----------------|-----------------|
| | Under \$1,000 | \$1,000–\$2,499 | \$2,500–\$3,999 | \$4,000 or more |
| | Percent | Percent | Percent | Percent |
| Artificial breeding..... | 3 | 7 | 21 | 33 |
| Ladino clover..... | 9 | 16 | 36 | 56 |
| Kentucky 31 fescue..... | 12 | 16 | 33 | 55 |
| Calf vaccination..... | 16 | 20 | 38 | 48 |
| Bluestone-lime..... | 35 | 56 | 78 | 76 |
| Tobacco fertilization (1,000 pounds per acre or more)..... | 55 | 58 | 75 | 76 |
| Soil testing..... | 9 | 14 | 35 | 48 |

¹ For each practice, the percentages are based on the number of farmers having the enterprise to which the practice applies.

Source: "Communication and the Adoption of Recommended Farm Practices," Ky. Agri. Expt. Sta., Progress Report 22, November 1954.

upon all the facets of the problem: that is, those aspects which are concerned with nonfarm employment, credit and financial management, industrial jobs, and vocational training.

Taken in conjunction with appropriate moves along the foregoing lines, it is believed that the recommendations to expand extension services, technical assistance, and research activities would help solve the low-income problem.

EXTENSION AND TECHNICAL ASSISTANCE—PRESENT SITUATION

Extension services and technical assistance in production, conservation, and home management are available in most low-income counties. These services have helped many individuals in these areas. Low-income people have, however, frequently made less use of these facilities than farmers who have more productive businesses, who are generally more receptive to new ideas, and whose incomes permit them to undertake additional investment or some measure of experimentation (table 7). For the most part, extension personnel are fully employed in meeting the requests of those who seek assistance.

The use of extension services by low-income farmers has grown in recent years. Several States have greatly improved their programs in many counties in these areas. Much attention and thought have been given to better approaches but workers and funds have been lacking for a broad, vigorous program of the type required to work effectively with these farmers. Further development and expansion of these extension programs is needed.

During the past year Federal funds for extension have been increased by about 20 percent. Most of this increase (85 percent) is being used in the counties to explore or expand farm and home planning activities. This has permitted new work in many of the low-income counties. But available local funds are not plentiful in many counties having

TABLE 7.—*Percentage of farmers who reported use of selected channels of farming information, by value of gross sales, Washington County, Ky., 1950*

| Channel of communication | Annual value of crops and products sold | | | |
|---|---|----------------------------|---------------------------|---------------------------|
| | Under \$1,000 (N=77) ¹ | \$1,000–\$2,499 (N=164) | \$2,500–\$3,999 (N=81) | \$4,000 or more (N=64) |
| | Percent | Percent | Percent | Percent |
| Agricultural agency representatives | 27 | 46 | 81 | 88 |
| Farm meetings | 9 | 26 | 46 | 64 |
| Farm bulletins | 20 | 36 | 65 | 78 |
| Circular letters from county agent | 56 | 70 | 93 | 92 |

¹ N=Number of farmers in each group.

Source: "Communication and the Adoption of Recommended Farm Practices," Ky. Agri. Expt. Sta., Progress Report 22, November 1954.

numerous low-income farms and this has seriously limited the services available to these farmers.

Soil and water conservation districts have been organized in all low-income areas. Data from the Soil Conservation Service indicate that for the country as a whole, the distribution of assistance by size of farms corresponds to farm size distributions reported by the census of 1950.

EXTENSION AND TECHNICAL ASSISTANCE— RECOMMENDATIONS

1. Special funds should be provided to set up during the next year or so pilot technical assistance and extension programs in a sufficient number of counties in each low-income area to cover the range of different conditions. Special attention should be given to needs of the young people. In these pilot organizations, consideration should be given to: Setting up county and community committees with a broad base of participation; assembling materials for analysis or planning through cooperative efforts by all agencies concerned; using farm and home management specialist teams to work with individual farmers; exploring methods of working with farm people of limited opportunities; and developing community programs and goals.

2. In the pilot programs additional qualified personnel should be employed for farm and home planning and on-site technical assistance. Personnel should also be able to introduce such changes in methods as may be needed to reach the people involved. Planning should include development of efficient marketing and buying channels.

3. Over the longer term, additional county and community development committees should be organized in all areas where there are significant numbers of low-income farms. These committees should include not only farmers but also representatives of public and private credit agencies, local businesses, employment services, conservation agencies, and extension, vocational, and other educational services. Such committees could help develop local action to increase farm and home efficiency and productivity.

4. In the appropriation of special Federal funds for extension activities to help solve problems of low-income farm people, it is recommended that the basis of allocation recognize: (a) The numbers of low-income farms, and (b) the aggregate income base of each State. A part of the funds might be set up so they could be allocated directly to the States for special projects.

5. It is suggested that the Department of Agriculture take the initiative in bringing about State and regional conferences of leaders in agricultural education, technical assistance, credit, and research. The purpose of such a conference would be to discuss the closely inter-related interests in these fields in the problems of improving the productivity and incomes of farms in the low-income areas.

SUGGESTED APPROACHES IN PILOT COUNTIES

County and community program development committees should be set up to consider the total problem of the area and what can be done about it. These activities would include evaluating alterna-

tives in community development, considering farm enterprises to be encouraged, and setting up a program for special assistance to individual families in developing their own farms.

Any agricultural program in this field must be an integral part of the overall development program for the community or county. It should be an integrated approach. This will mean enlistment of services relating to nonfarm employment, vocational training and guidance, as well as technical services in agricultural conservation and development.

Based upon the preliminary work in a county a special program could be organized to work intensively with interested families who have opportunities to enlarge their farm incomes.

This kind of assistance is intended to help develop a well-balanced farm business, to help plan a wise use of income for living, and to help meet the problem of financing changes. Personal aid is required in helping families think through and work out plans in line with their own resources and values. Also required is an expansion of credit and technical services provided by State and Federal agricultural services and private enterprise.

Regular extension services should also be strengthened in these areas. In counties where additional personnel are being placed, it should be possible to work intensively on farm and home planning activities with at least 50 families a year individually, and perhaps more on a group basis. Advances made by families which have received special help will be noted and followed by other families.

To start with, some work might be done with families on specific problems which affect the farm as a whole. The procedure would be to budget particular changes which affect costs and returns, not only with respect to the specific item, but also as to effects on other parts of the farm business. What a family learns in this way about how to budget and make decisions can be applied to any problem that comes along.

Most of such work would be done with small groups of families who enroll for a series of meetings. This approach would encourage discussion among individuals on problems they have in common, and give opportunity for each family to work on a rather complete program for its own farm. Visits by the group could be made to some of the farms. Followup arrangements would help carry out their plans.

This individualized approach to farm planning is probably the most effective way to help those families who have major adjustments to make and who will need financial help to make them.

Extension and research also should give emphasis to assembly and dissemination of facts relating to the possibilities for increasing efficiency and incomes by low-income farmers working together to meet common problems. Small farmers frequently can cooperate advantageously in the use of equipment and other facilities including such things as farm machinery, electricity, credit, and other facilities. Fuller use of custom services can be helpful. Savings also frequently can be made by combining the sales in marketing farm products and combining purchasing power in securing farm supplies.

RESEARCH—SITUATION AND RECOMMENDATIONS

In recent years most agricultural research has been applied to technical problems of production and marketing. Only limited research effort has been directed toward: Fitting farm units to the changing economic environment; the processes of change in farming, farm population, and levels of living; or the efficient use and extension of credit, and changes in land tenure. These types of research are especially important in low-income areas.

In the period before World War II considerable research of this type was carried on. Often this research can serve as a valuable background in an expanded research effort of this type.

Research activities here suggested are directed toward providing information needed to carry out extension work and technical assistance with low-income families. Additional specialized studies are also needed; these are discussed in other sections of this report.

1. Studies should be undertaken, in addition to those already made, to establish the facts concerning the combinations of resources which will increase incomes and improve levels of family living. Such studies would comprise analysis of soils and related physical resources including the completion of soil surveys where these are not now available. The studies also should include analysis of capabilities and attitudes, of conditions in health and education, and of financial and tenure problems which affect low-income people.

The studies would emphasize the evaluation of farming systems, size of operation, and home management which would provide a satisfactory income and level of living to the farm family. They would include an evaluation of income prospects in part-time farming and off-farm employment as well as commercial farming.

One aspect of this work might be a number of pilot research farms. On such farms new practices and enterprises or combinations could be tested in the setting of a farm business as a whole.

All such research presupposes a high degree of teamwork between scientists in various fields affecting agriculture. The results would provide guides to credit agencies as well as to extension workers.

2. Studies should be undertaken in these areas on practices of lending agencies, including repayment terms; also on the amount of credit likely needed to upgrade farmers' earnings. Suggestions should be developed for guidance of private and government lenders.

3. Studies are needed to determine why farm families cooperate or fail to cooperate in improvement programs and to determine possible new ways and approaches for working with those who have been unresponsive in the past.

4. Studies should be undertaken of how the change to an efficient higher income agriculture will affect the area economy, and how it will affect the levels of living attained by the population. These lines of study would cover population changes, off-farm job prospects, and marketing problems.

5. Research should be undertaken to determine the leasing arrangements and provisions that would be most equitable under the altered farming systems. It should determine the extent to which prevalent leasing arrangements stand in the way of adjustments to higher incomes.

6. Research is needed on production and marketing, covering both the long- and short-term prospects for supply and demand, for the United States and local areas. These would help in determining the most practicable farming systems for the low-income areas.

AGRICULTURAL SERVICES FOR PART-TIME FARMERS

Part-time farming is growing in this country. Off-farm work is one means by which families with low incomes can add to their earnings. However, many families still have only a low income after whatever off-farm earnings they can get. Some consideration, therefore, should be given to services which can be supplied to part-time farms.

What is a part-time farm? The census has a definition. It is a farm with sales of from \$250 to \$1,199 in a year, with the operator working off the farm 100 days or more, or where the family income from off-farm work exceeds the value of farm sales. In 1949 the census reported 639,000 such part-time farms in the United States, of which 326,000 had cash family incomes of less than \$2,000 (fig. 4). In the latter group there were 272,000 operators under 65 years of age. These farms averaged 16.2 acres of harvested crops and \$612 worth of products sold per farm.

Residential farms, so-called, are a closely allied group. Such a farm is used primarily as a home and is only incidentally a farm business. The census defines such a farm as one having less than \$250 of products sold in a year. Such farms showed an average of only 6.1 acres of cropland, and only \$82 worth of products sold. There are some residential farmers, however, who may be interested in expanding their farm operations and who thus come more definitely within the scope of this study.

Many of the suggestions applying to low-income farmers generally also apply to part-time farmers. These involve especially: Properly adapted extension programs, better credit service, and needed research. In making these suggestions, it is recognized that some of them are already being carried out in some States. Several good local studies have been made. Some counties are doing an excellent job in providing extension service for part-time farmers. However, in some areas where the need is greatest there has been the least activity of this kind.

EXTENSION PROGRAMS FOR PART-TIME FARMERS

For some low-income families in this category information about the home and the production of food for the family may be sufficient. Others will need help in planning and managing their farm to make it more profitable. Many boys and girls in part-time farm families belong to 4-H Clubs and the wives to home demonstration clubs.

The following points need to be considered in extension work with part-time farms:

1. A clear understanding by all extension and technical assistance workers as to their potential clientele—the groups they should be working with in the counties. One such group would be the part-time farmers.

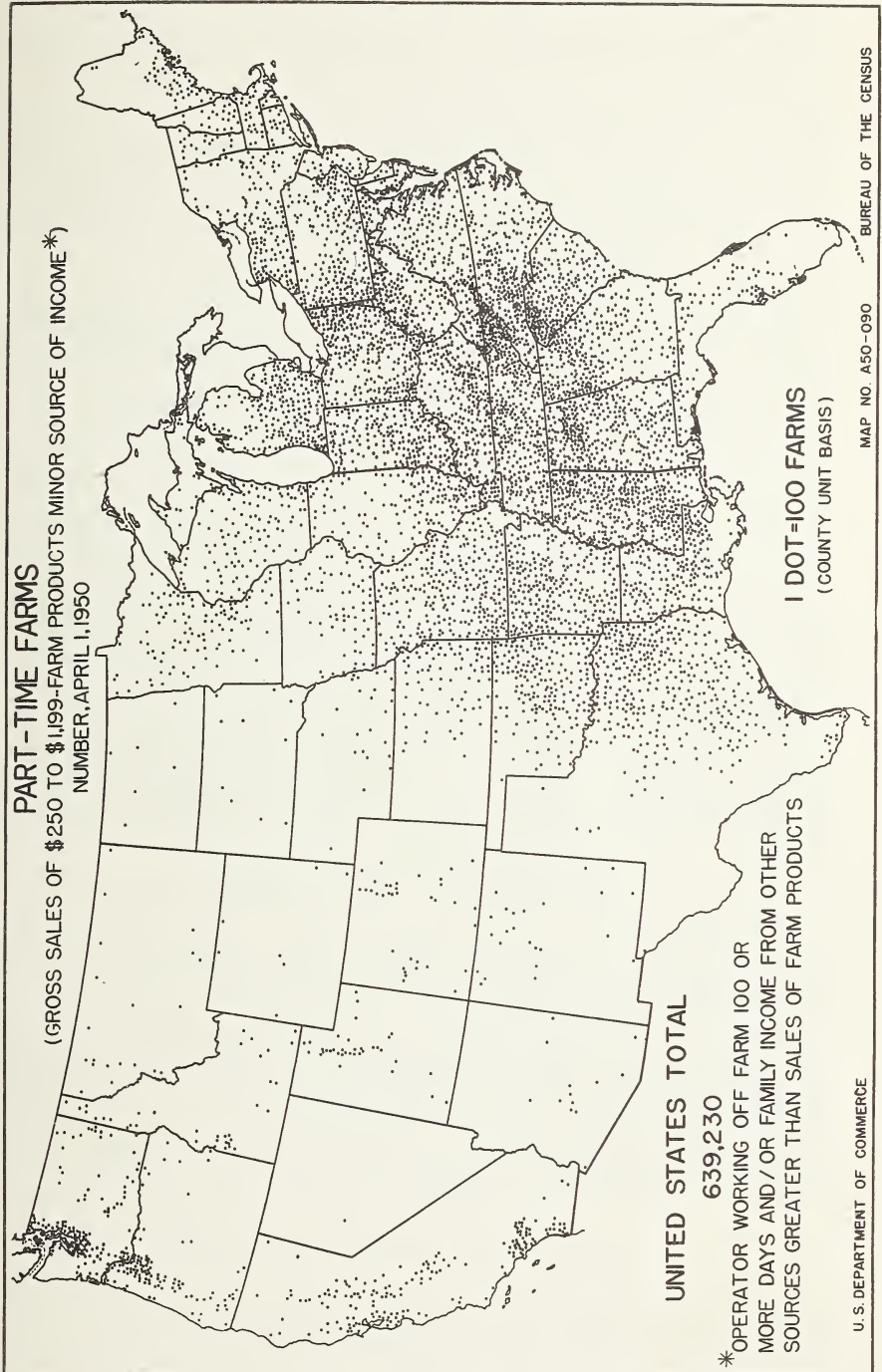


FIGURE 4.

2. Inclusion of part-time farmers on the county extension advisory committees. This would aid in the planning of a county extension program which would better meet the needs of these people.

3. The extension problems should be well determined if the work with part-time farmers is to be effective.

4. Larger county and State staffs are needed to cover this work. This may call for retraining some members of present staffs, as well as the hiring of workers having a background, training, and experience somewhat different from that of many present extension workers.

CREDIT FOR PART-TIME FARMERS

The principal credit problems among part-time farmers appear to be in the field of long-term financing. The credit requirements are generally smaller for stock, tools, and supplies than for real estate. The former needs are met for the most part by banks, production credit associations, and some other lenders. To the extent that these sources fall short, special credit measures could be developed for part-time farmers similar to the proposals made in the Credit section herein.

Credit for housing and other real estate financing is less satisfactory. Some is available from insurance companies and from the Federal Land Banks. The Federal bank loans, however, are limited by the requirement holding appraisal within limits set by the normal income from the farm only. This leaves little opportunity to recognize the home value and repayment capacity from outside income, in making appraisal and loan. A proposed amendment to the Farm Loan Act is now pending in Congress (1955) which would make it possible to broaden the base on which loans are made on these farms; it would permit the appraisal to take account of the home value and of outside income. Adequate facilities do not now exist for Government credit to part-time low-income farmers. Legislation is needed for this purpose. Support of such legislation is recommended.

POSSIBILITIES FROM TIMBER

A considerable number of low-income and part-time farmers are located in marginal areas most suitable for growing trees as a crop. In such areas off-farm earnings from timber cutting can be increased by improved forest management.

To this end, attention should be given to: Extension work in forestry with owners and workers; improved forest credit; more adequate State regulatory laws; and public acquisition where effective management cannot be had under private ownership.

Opportunities for off-farm earnings in public forests can be increased by adjusting policy to encourage small sales, and by the construction of roads to make timber accessible for small-scale buyers.

PART-TIME FARMS—RESEARCH

Research is needed into these lines of information: Number and types of families and their geographic concentrations; their occupations, skills, and capabilities; prospective changes in off-farm work opportunities; the level and stability of incomes; industries adapted

to using local labor and other resources; and the types of farm organization best suited to the working hours of part-time farmers.

Other questions to be answered by research are: Is part-time farming a step to full-time farming or to migration from the farm, or is it a fairly permanent way of life for those so engaged? Has the increase in part-time farming resulted largely from urban workers buying rural homes, or does it stem from families on small farms taking advantage of outside job opportunities? How do the credit requirements of part-time farmers differ from those of full-time farmers, and how adequate are present credit facilities in meeting the need? To what extent are laborsaving expenditures feasible when considered against the alternative of family work outside? What are the problems in land use, community organization, roads, and related facilities in urban fringe areas?

CREDIT AND FINANCIAL MANAGEMENT

Low incomes among farmers are in large part traceable to lack of resources. In many instances sufficient resources could be added to provide for efficient operations.

In the usual case capital must be supplied in the form of credit. To support such credit guidance should be given in management, and educational and technical assistance should be provided.

Despite the progress made by Government and private lenders in aiding low-income farmers, a more organized approach is needed. To this end the following recommendations are made.

1. A concerted effort should be made to encourage private and cooperative lenders to make more loans to enlarge, stock, equip, and develop farms of worthy operators.

An education program toward this end might include publications designed to point out the contribution that local banks and cooperative credit agencies can make. Publications should make clear the benefits to the community from such loans.

Such a program would include courses, demonstrations, and meetings for personnel of lending agencies and for farmers. These sessions would give the latest information on improved practices, on cost and returns of enterprises, and on correct use of credit in improving farming. Farmers and lenders could discuss problems at joint meetings.

Many country bankers have found it profitable to employ full-time agricultural representatives to handle farm credit work, plan farm management, and give guidance to borrowers. Use of additional agricultural specialists by banks and other credit agencies should be encouraged. Arrangements should be made whereby banks and cooperative lending agencies can utilize the farm planning assistance of the extension service. Extension agents, vocational teachers, and others should give attention to helping low-income families make sound use of their resources, including credit.

2. The supply of intermediate-term credit should be increased. Present supply is not adequate. A major need, especially on low-income farms, is to build up a dependable source of intermediate credit. Frequently such loans are not available. Usually when they are available, they are drawn for repayment at the end of the

year with the general understanding that the unpaid portion will be renewed.

Loans for equipment, livestock, or working capital cannot be repaid in a year. It takes time for the increased returns to be realized. In many instances such financing must be carefully done on the basis of well-considered farm plans. It is often impossible for these plans to provide for complete repayment in less than 5 to 7 years. Repayment schedules should be based on a careful appraisal of the debt-paying capacity of the business.

The Farm Credit Administration has recently made decisions which are a commendable step in remedying this situation. The production credit associations have been authorized to make loans for capital purposes with terms up to 3 years, on an experimental basis. The Federal intermediate-credit banks have been authorized to discount such notes. Three years is the maximum term now acceptable for discount under the law. This test will be watched with a great deal of interest. Similar steps by commercial banks and other lenders should be encouraged.

3. Government credit services should be strengthened as needed. Through the use of a carefully planned credit program, supported by guidance and technical aid, the situation for many low-income farmers can be improved. Additional risk will be involved if the program is large enough to reach a major portion of those farmers who have land enough but who lack working capital. The risk of loss is increased by low security ratios and by repayment requirements which leave little margin after expenses.

The experience of the Farmers Home Administration since 1946, however, indicates that the losses from this type of operation need not be high. Table 8 presents in summary these results. One way of reducing risks might be to restrict loans to 90 percent or a lower percentage of the appraised value. This would decrease risk from a decline in prices or an economic slump, but the number of families who could be assisted would be fewer.

The standards used by the Farmers Home Administration in determining the suitability of applicants have much merit. The farmers must have access to sufficient land, be of sound character, and possess reasonable farming skill.

THE FARMERS HOME ADMINISTRATION SERVICES

Sufficient funds from private lenders for insured long-term loans should become available to speed up the program for enlarging and developing farms. These funds should also be open for housing and building improvement loans to potentially efficient farmers. Also, through recent amendments, direct and insured loans for water facilities and soil conservation loans of intermediate length will be on hand throughout the Nation. If these programs develop as hoped, there should be no scarcity of these types of funds.

More loan funds will be required for production loans for the purchase of basic livestock, equipment, fertilizer, seed, and other such items. Help in financing such items will be needed by potentially efficient farmers in moving toward improved and stable operations.

NONFARM EMPLOYMENT INFORMATION AND MOBILITY OF FARM PEOPLE

For many decades more children have been born on farms than could be absorbed into agriculture. Fewer workers have been needed on farms in recent years and the problem of finding jobs elsewhere has become more acute for rural young people. A program to develop and utilize the human resources of agriculture more fully must anticipate a continuing large-scale movement of people away from the farms or into part-time nonfarm employment.

MIGRATION FROM FARMS

Migration resulted in a net transfer away from farms of 6 million persons in the 1920's, 3.5 million in the 1930's, and nearly 9 million in the 1940's. Since 1950, in spite of a high birth rate, migration has reduced the farm population from 25 million to less than 22 million. During the 1950-60 decade, at least one-fourth of the young men reaching working age on farms will be in excess of replacement of older men who die or retire. The map, figure 5, shows replacement rates by areas. In several of the low-income areas a third to a half of these young men will need to take up nonfarm occupations during the present decade even if there is no increase in the size of farms.

AREAS NOT WELL SUITED TO CULTIVATION

There are several areas where poor soil, rough topography, wind erosion, water erosion, or other natural handicaps make farming an almost hopeless struggle. Hired men in these regions have a hard time no less than do farm operators. In many cases the real solution would be to make it possible for families from these areas who wish to do so to relocate and let the land now farmed go back into forest, grazing, watershed protection, wildlife and recreation, or similar uses.

Rural zoning has proved helpful in this problem, particularly when coupled with tax incentives and State assistance to encourage forestry, public acquisition of farm holdings in sections zoned out of agriculture, and a program to assist the affected families to find better opportunity elsewhere.

Public and private acquisition of such lands has accomplished like objectives. Some of the lands have been bought up for State parks, forests, wildlife refuges, county or community forest reserves, municipal recreation and watershed protection, and national forests or national parks and publicly owned grazing lands.

PROGRAM OF THE EMPLOYMENT SERVICE

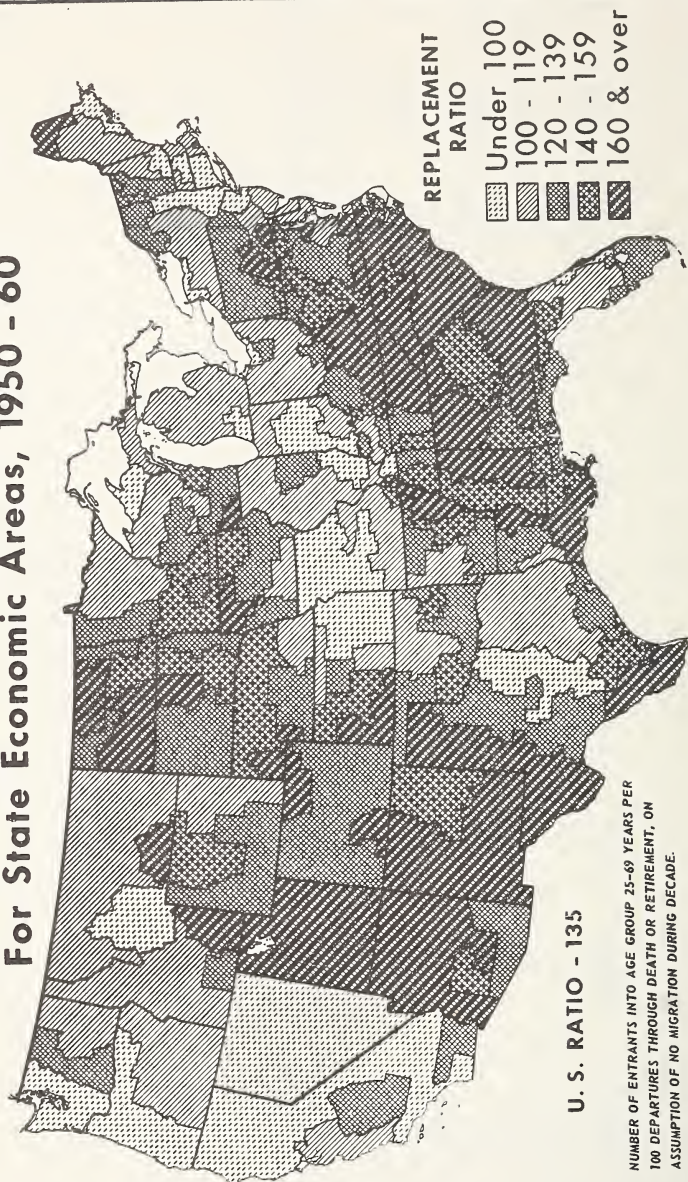
In these areas of low income and underemployment, helpful programs can be set up to facilitate migration. As a part of its regular program, the Bureau of Employment Security of the Department of Labor has a responsibility for aiding employment. It has no special program of information for farm people on job opportunities elsewhere, except for migratory farm laborers. The Bureau operates through 1,700 local offices in affiliated State employment agencies.

TABLE 8.—*Production and subsistence loan data, selected States, Farmers Home Administration,
Nov. 1, 1946—June 30, 1954*

| Item | Arkansas | Louisiana | Mississippi | Alabama | Georgia | South Carolina | Tennessee | Kentucky | West Virginia |
|---|--------------|--------------|--------------|--------------|--------------|----------------|--------------|--------------|---------------|
| <i>Number of borrowers receiving loans:</i> | | | | | | | | | |
| Farmers with Farm Security Administration loans.....number..... | 3, 812 | 3, 321 | 5, 800 | 7, 479 | 6, 318 | 2, 084 | 2, 309 | 2, 165 | 427 |
| New borrowers.....do..... | 20, 825 | 21, 945 | 23, 635 | 20, 194 | 24, 903 | 45, 853 | 10, 355 | 12, 605 | 2, 617 |
| Total.....do..... | 24, 637 | 25, 266 | 29, 435 | 27, 673 | 31, 221 | 47, 937 | 12, 664 | 14, 770 | 3, 044 |
| Status on June 30, 1954: | | | | | | | | | |
| Fully paid.....do..... | 18, 636 | 19, 714 | 21, 039 | 21, 075 | 24, 562 | 38, 443 | 8, 883 | 10, 361 | 1, 753 |
| Indebted: | | | | | | | | | |
| Supervised ¹do..... | 4, 251 | 3, 574 | 5, 141 | 4, 253 | 3, 504 | 5, 238 | 2, 963 | 3, 936 | 1, 191 |
| Serviced only for collection purposes.....number..... | 1, 271 | 1, 263 | 2, 454 | 1, 936 | 2, 018 | 2, 554 | 633 | 331 | 75 |
| Writeoffs and judgments.....number..... | 479 | 715 | 801 | 409 | 1, 137 | 1, 702 | 185 | 142 | 25 |
| Total amount loaned.....dollars..... | 31, 129, 304 | 25, 267, 757 | 30, 569, 104 | 25, 186, 133 | 29, 892, 625 | 26, 814, 107 | 13, 083, 866 | 15, 052, 359 | 5, 283, 538 |
| Matured principal.....do..... | 22, 165, 735 | 18, 668, 238 | 21, 004, 273 | 18, 440, 525 | 21, 945, 235 | 21, 146, 271 | 9, 067, 161 | 9, 882, 923 | 2, 534, 092 |
| <i>Collections:</i> | | | | | | | | | |
| Principal.....do..... | 20, 552, 150 | 17, 901, 588 | 19, 480, 865 | 17, 310, 769 | 20, 335, 480 | 19, 798, 584 | 8, 595, 024 | 9, 200, 235 | 2, 455, 354 |
| Interest.....do..... | 1, 604, 093 | 1, 055, 923 | 1, 469, 890 | 1, 018, 185 | 1, 186, 440 | 884, 394 | 741, 829 | 931, 200 | 320, 690 |
| Principal payments as percent of matured principal ²percent..... | 92. 7 | 95. 9 | 92. 7 | 93. 9 | 92. 7 | 93. 6 | 94. 8 | 93. 1 | 96. 9 |

REPLACEMENT RATIOS OF RURAL-FARM MALES AGED 25-69

For State Economic Areas, 1950 - 60



U. S. DEPARTMENT OF AGRICULTURE

NEG. 878 - 54 (7) AGRICULTURAL MARKETING SERVICE

FIGURE 5.

Its methods have been adapted to many different labor market situations in the 21 years of its history.

Programs of the Bureau and those of the State agencies are tailored locally to fit varying situations. The Employment Service recruits and places workers through its local office by its knowledge of jobs and skills in the community. If job openings are not filled, they are "cleared" to other offices over a wider area.

Reports on job openings are published regularly in each State and circulated widely. Present reports cover 150 of the major industrial areas on a bimonthly basis. These reports offer information of potential service to those interested in outside work.

During World War II the Employment Service was instrumental in helping large numbers of rural people to find jobs in rural and urban industries. Where transportation costs and guarantee of jobs were offered, workers responded most favorably. Some of the problems which showed up were a division of responsibility between agencies, restrictive legislation, and some unreasonable contracts applying to seasonal farm workers.

RECOMMENDATIONS

When economic conditions are good, reliable information on job openings and industrial prospects can help rural workers who desire outside work. The Federal-State Employment Service supplies such information. What is needed is to gear its programs to the special needs of these rural areas. Services of this type have an important part to play in steadily improving opportunities in low-income areas. To that end the following suggestions are made:

1. Try to familiarize rural people with the facilities of the Employment Service. Farm workers are accustomed to finding jobs through relatives or friends. They do not fully realize the services available through the employment offices or how to use them.

2. Make employment information more available to the farm press, radio, and other media which provide job information to rural areas. Public service announcements in selected areas can be effective if they give specific job information.

3. Provide voluntary registration of rural workers available for outside employment so that information on jobs can be pinpointed to them.

4. Encourage State employment offices to study the needs of rural areas, with a view to extending present facilities to meet those needs, or to relocate employment offices if necessary to get the information where needed.

5. Set up standards to identify the areas where there is population pressure. Then conduct surveys to determine the characteristics of the rural population, skills of workers, availability for outside work, and problems to be overcome if the mobility of the group is to be achieved.

6. Match areas of rural underemployment with industrial areas in need of labor. Thereby it will be possible to assist those who wish to move to places of need in the same general region.

7. Extend the present classification of labor markets to small metropolitan areas and nonmetropolitan areas. Analyze additional

smaller cities to discover expanding industry in areas close to abundant rural manpower.

8. When areas of poor farming conditions have been identified and relocation of workers is desired, it is recommended that the Employment Service develop special programs to meet these needs.

9. Land zoning and public acquisition programs have been found useful in several States. Where lands are surely unsuited to successful farming, it is recommended that State and local agencies, in cooperation with the communities concerned, give serious attention to rural zoning, public acquisition, and related measures. The State agricultural experiment stations should continue to take leadership in making the necessary studies and indicating desirable lines of action. The Extension Service should take the leadership in working with the local people to design and carry out a program of action based on this research.

In programs so developed, attention should be given to ways and means to assist farm families to move to better locations; to help provide funds for desirable shifts in land use; and to encourage the best use of lands left idle. Public ownership of such lands for forests, parks, wildlife, recreation, and watershed protection should be considered. Great care should be used in disposing of such lands to avoid increasing the problem areas.

Agencies of the U. S. Department of Agriculture, particularly the Office of Information, Farmers Home Administration, Federal Extension Service, Agricultural Research Service, and Agricultural Marketing Service can contribute to these recommended activities through regular and special programs, and, where applicable, through their county and advisory groups.

INDUSTRIALIZATION IN LOW-INCOME FARM AREAS

Industrial development offers some opportunities in a number of rural areas which now lack the means of good income. This is especially true where labor is accompanied by local resources and adequate power at low cost. During the last 10 to 20 years industries have played a part in raising the level of earnings in certain low-income rural areas.

Industrial development for an area is often thought of as luring 1 or 2 big plants that will immediately make jobs for all. But the realistic development is more often a progressive growth which uses all resources in the area, including agriculture, forests, minerals, power, and improvement of labor skills through vocational training.

SUGGESTIONS AND RECOMMENDATIONS

1. State and local assistance in leadership and counseling for developing local industry should be expanded.

In the past industries came into some regions without benefit of much local effort. In others local action played quite a part. Sometimes the industry was given financial aid, sometimes publicity and promotion. Mississippi, for example, gave tax concessions to new industries to attract them to the State.

Local promotion involves many activities. Perhaps the biggest task is to appraise the local resources accurately, both physical and human. Judgment is also necessary on the kind of industry that will stand a good chance of success under the local conditions. Research is needed to answer questions along these lines.

For the task of mobilizing local interest and self-appraisal, the industrial development boards and local organizations will be important. The State land-grant colleges and services of the State departments of agriculture, commerce, and labor can help. In areas having rural electric power the Rural Electrification Administration can encourage and service new industries.

2. Appropriate agencies of Government should be enlisted to survey and report on the potential labor supply in rural areas. Federal policies on dispersal of industries, whether for security reasons or to use the Nation's manpower more efficiently, should consider this labor supply.

The labor supply in major urban areas is regularly reported and classified. No similar data exist for rural areas; such data might be developed, though admittedly this would be more difficult than in town. Such data would be of help in selecting plant sites.

Federal policy on dispersal of industry, as laid out by the Office of Defense Mobilization, provides for tax amortization as well as other incentives for a new defense plant in an area of labor surplus, if the area meets certain other requirements. At present rural areas can benefit only if they fall within a labor market area classified as one of substantial labor surplus. If the Department of Labor should classify rural areas, either on a regular or special basis, it would seem possible to extend the special tax amortization to defense plants in areas of rural underemployment.

3. Research should be designed to explore the opportunities for new industries in rural areas; provide technical information on industries suitable for rural location; and improve the efficiency of industries processing or distributing farm products. This research would be intended for those who help decide on industrial enterprises and their locations. The State land-grant colleges and the State and Federal departments of agriculture, commerce, and labor might all make important contributions to such research.

It may be asked what the possibilities are for reducing costs in farm processing plants by improving efficiency and using underemployed rural labor—thereby giving more employment to that labor. No general answer is possible. There has been some expansion of textile, metals, chemicals, and biological industries in the South and West where the labor supply was ample and good roads provided easy access to markets. But in general the food processing industries are located near farming areas. For any cost advantages to come from modern machinery the plant must have a constant supply of raw products, and the output must be marketed effectively. Hence, in many cases labor can be used effectively only if the volume of farm products is first increased.

The Department of Agriculture—perhaps in cooperation with other agencies—could give greater assistance to food processing industries in exploring the possibility of lowering costs.

4. Efforts should be undertaken to increase the use, processing, and productiveness of forests in the rural low-income areas. While the major problem areas tend to be those with poor land, they also have the largest amount of forest land and great opportunities for future industrialization in forest products.

The possibility for developing forest industries is substantial. The employment opportunities include harvesting the timber and the manufacture of lumber and basic timber products; furniture and finished lumber products; paper and allied products; chemical and associated products, including rayon from wood, wood distillation, and naval stores.

VOCATIONAL TRAINING

Vocational training and guidance represent part of the investment that our society makes in the education of its youth and adult citizens. Trained manpower is also fundamental to the strength and security of our Nation. By and large, rural communities have less adequate facilities for vocational training and guidance than do the urban communities. Needs in this field are not being adequately met for a large proportion of rural youths and adults. This lack has been chronic for many years among the low-income farm families. The education and training given to more than 7,800,000 veterans of World War II by the GI Bill provided training to hundreds of thousands of farm-reared veterans who otherwise would not have had such opportunities.

VOCATIONAL PROGRAMS

The Smith-Hughes Act (1917) and the George-Barden Act (1946) provide for Federal-State matching of funds and Federal-State cooperation in developing vocational-training programs. These programs cover agriculture, home economics, trades and industry, and distributive occupations (merchandising, retailing, wholesaling). Vocational guidance programs are also assisted. Table 9 shows how funds are allocated to the State boards of education on a matching basis.

EXPENDITURES FOR VOCATIONAL TRAINING AND GUIDANCE

The Smith-Hughes Act appropriates \$7,138,330 annually for vocational education. The George-Barden Act authorizes the appropriation of an additional \$29,267,080 a year also for vocational education. In 1953 expenditures for federally aided vocational guidance, as distinguished from other types of vocational education, totaled \$1,417,990, of which \$373,895 were Federal funds. In addition, there are other vocational-guidance programs financed solely from State and local funds.

Actual Federal, State, and local expenditures for vocational training in the United States, in 1953, totaled almost \$146,000,000. The proportion of Federal funds averaged about 18 percent both for the country as a whole and for the low-income Southern States. Among these States the proportion varied from 13 to 30 percent (table 10).

TABLE 9.—*Basis for allocation of Federal funds for vocational training*

| | Smith-Hughes Act (appropriations) | | | George-Barden Act (authorizations) | | | |
|---|---|---|---|--|---|---|---|
| | Vocational agriculture | Vocational home economics, trade and industry | Vocational teacher training | Vocational agriculture | Vocational home economics | Vocational trade and industry | Vocational distributive occupations |
| Annual sum (millions). Basis for allocation to States. | \$3 Ratio of State rural population to United States rural population. | \$3 Ratio of State urban population to United States urban population. | \$1 Ratio of State total population to United States total population. | \$10 Ratio of State farm population to United States farm population. | \$8 Ratio of State rural population to United States rural population. | \$8 Ratio of State non farm population to United States non-farm population. | \$2.5 Ratio of State total population to United States total population. |

For the United States as a whole, expenditures are roughly equal among vocational agriculture, home economics, and trades and industry. In the low-income Southern States the proportion spent on vocational agriculture and home economics is much greater than that spent on trades and industry (table 10).

The percentage of Federal funds expended for each of the four fields of vocational training is about the same for the total of the low-income Southern States, as for the United States. In general over the country, the percentage of Federal funds expended for agriculture and trades and industry is greater than the percentage expended for home economics and distributive occupations (table 11).

For the fiscal year 1955 a total of \$30,811,591 in Federal funds has been allotted for vocational training in the United States. Of this, \$11.7 million is for agriculture, about \$9.5 million for trades and industry, about \$7.5 million for home economics, \$900 thousand for distributive occupations, and about \$1 million for teacher training.

RECENT DEVELOPMENTS IN VOCATIONAL TRAINING

From a modest enrollment in 1918 of 164,000 in all types of vocational education, including part time and full time, by 1946 enrollment in the United States passed the 2 million mark. Total enrollment in 1953 was 3.1 million. Each of the major programs—agriculture, home economics, trades and industry, and distributive occupations—has seen a steady growth in enrollment and in funds. Training in the distributive occupations has a more recent history dating back only to about 1938. This program is limited by law to part-time and evening classes for persons engaged in those occupations.

In order to offer training in areas that otherwise could not be served, a few States are setting up area vocational schools; they also are putting such training into community colleges covering a wider territory than existing school districts. This procedure makes possible a greater diversity of training. The cost of boarding away from home may pose quite a problem to youths from low-income families.

Young farmer classes and farm mechanics programs help boys who stay on the farm. A specialist in farm mechanics from the U. S. Office of Education has conducted conferences and workshops for the improvement of instruction in farm mechanics in Alabama, Arkansas, Louisiana, Mississippi, and South Carolina. Special attention also has been given to the training of rural electrification workers. Some rural youths have been enrolled in apprenticeship programs. Training for practical nursing is being stressed.

The groups of courses offered in high schools are being improved and broadened. Workshops have been held to this end.

AVAILABILITY OF AND PARTICIPATION IN PROGRAMS

Concrete studies are needed on how available vocational training is in the low-income areas or on how many in these areas take such training. Available studies are usually college theses or reports evaluating a specific program in a specific area. They do not shed much light on the overall problem of increasing vocational training in low-income areas.

TABLE 10.—*Expenditures for vocational training for the United States and low-income Southern States, fiscal year ending June 30, 1953*

| State | Total expenditures | Federal expenditures | Vocational agriculture | Vocational home economics | Vocational trades and industry | Vocational distributive occupations |
|---------------------------------------|-------------------------|----------------------|-------------------------|---------------------------|--------------------------------|-------------------------------------|
| | <i>Thousand dollars</i> | <i>Percent</i> | <i>Thousand dollars</i> | <i>Thousand dollars</i> | <i>Thousand dollars</i> | <i>Thousand dollars</i> |
| Total United States..... | 145, 951 | 17. 4 | 47, 490 | 43, 114 | 50, 507 | 4, 839 |
| Total low-income Southern States..... | 39, 864 | 18. 5 | 18, 076 | 13, 829 | 6, 856 | 1, 104 |
| Alabama..... | 3, 101 | 21. 6 | 1, 327 | 944 | 743 | 88 |
| Arkansas..... | 2, 705 | 18. 2 | 1, 290 | 1, 056 | 290 | 68 |
| Georgia..... | 5, 052 | 14. 3 | 2, 319 | 2, 002 | 589 | 142 |
| Kentucky..... | 2, 190 | 31. 1 | 1, 029 | 729 | 384 | 48 |
| Louisiana..... | 3, 748 | 13. 1 | 1, 698 | 1, 420 | 524 | 107 |
| Mississippi..... | 2, 900 | 21. 2 | 1, 436 | 1, 013 | 396 | 55 |
| Missouri..... | 3, 145 | 22. 1 | 1, 147 | 1, 022 | 819 | 157 |
| North Carolina..... | 5, 278 | 18. 2 | 2, 726 | 1, 867 | 564 | 121 |
| Oklahoma..... | 3, 612 | 12. 2 | 1, 840 | 1, 003 | 653 | 117 |
| South Carolina..... | 2, 895 | 17. 0 | 1, 323 | 991 | 505 | 75 |
| Tennessee..... | 3, 536 | 20. 2 | 1, 411 | 1, 273 | 769 | 83 |
| West Virginia..... | 1, 702 | 24. 3 | 530 | 509 | 620 | 43 |

Source: *Digest of Annual Reports of State Boards for Vocational Education to the Office of Education, Division of Vocational Education*, U. S. Dept. of Health, Education, and Welfare, June 30, 1953.

TABLE 11.—*Percentage of Federal to total Federal, State, and local expenditures by type of vocational training for the United States and low-income Southern States, fiscal year ending June 30, 1953*

| State | Vocational agriculture | Vocational home economics | Vocational trade and industry | Vocational distributive occupations |
|---------------------------------------|------------------------|---------------------------|-------------------------------|-------------------------------------|
| | <i>Percent</i> | <i>Percent</i> | <i>Percent</i> | <i>Percent</i> |
| Total United States..... | 21. 3 | 14. 6 | 17. 0 | 8. 5 |
| Total low-income Southern States..... | 21. 6 | 14. 0 | 21. 0 | 9. 4 |
| Alabama..... | 27. 2 | 18. 6 | 16. 9 | 9. 9 |
| Arkansas..... | 22. 6 | 12. 1 | 21. 9 | 12. 6 |
| Georgia..... | 16. 0 | 9. 6 | 25. 0 | 6. 1 |
| Kentucky..... | 36. 1 | 25. 2 | 30. 6 | 18. 0 |
| Louisiana..... | 13. 3 | 8. 4 | 26. 2 | 8. 1 |
| Mississippi..... | 26. 9 | 15. 1 | 16. 6 | 15. 7 |
| Missouri..... | 28. 5 | 16. 2 | 23. 7 | 5. 5 |
| North Carolina..... | 19. 3 | 14. 1 | 28. 4 | 7. 2 |
| Oklahoma..... | 11. 6 | 10. 7 | 16. 7 | 7. 4 |
| South Carolina..... | 20. 2 | 13. 2 | 17. 0 | 11. 5 |
| Tennessee..... | 27. 1 | 14. 2 | 18. 7 | 10. 4 |
| West Virginia..... | 35. 0 | 25. 3 | 14. 8 | 20. 1 |

Source: See table 10.

In low-income Southern States, the opportunity for vocational training is limited. Despite the preponderance of farming, not as high a proportion of boys of high school age are enrolled in the vocational classes as for the whole country (table 12).

Many of the educational studies assume that vocational training for full-time agricultural occupations should be expanded. Too little thought has been given to the limited chances of employment in agriculture. Little attempt has been made to prepare farm youths for nonfarm occupations. Little attention is given to bringing into their vocational training the skills which are essential to nonfarm work and part-time farming. As early as 1941 reports of the State agricultural planning committees to the U. S. Department of Agriculture called for area vocational schools to provide nonagricultural training in rural service trades and occupations for the increasing proportion of youth who would enter nonfarm occupations.

TABLE 12.—*Enrollment of farm youths in vocational agriculture classes for the United States and low-income Southern States, 1950*¹

| | Male farm population, age 14-17 | Enrollment in all-day vocational agriculture classes | |
|-------------------------------------|---------------------------------------|--|---|
| | Thousands | Thousands | Percent of male farm population, age 14-17 |
| Total United States | 998 | 405 | 41 |
| Total low-income Southern States .. | 487 | 171 | 35 |
| Alabama | 49 | 13 | 27 |
| Arkansas | 37 | 16 | 42 |
| Georgia | 48 | 17 | 36 |
| Kentucky | 46 | 11 | 24 |
| Louisiana | 27 | 12 | 45 |
| Mississippi | 51 | 13 | 26 |
| Missouri | 35 | 11 | 31 |
| North Carolina | 67 | 27 | 39 |
| Oklahoma | 26 | 13 | 50 |
| South Carolina | 35 | 11 | 32 |
| Tennessee | 46 | 22 | 48 |
| West Virginia | 20 | 5 | 26 |

¹ Data on youths 14-17 living on farms from the 1950 Census of Population and data on enrollment in vocational agriculture from Office of Education, HEW. Figures on enrollment relate to the fiscal year ending June 30, 1951.

Recent followup studies in a number of communities show that the majority of students who take vocational agriculture do not become farmers. These studies show that one-half to three-quarters of these students take up occupations other than agriculture. It may be questioned whether the high percentage of boys enrolled in vocational agricultural classes is realistic in view of the limited opportunities for full-time farming. It may also be noted that in the low-income South-

ern States this percentage is lower than in the country as a whole. (See table 12.)

In one of the more comprehensive followup studies (Nicholas T. Theodorou: "A Study of Former Students of Vocational Agriculture in The Watkins Glen Area," Cornell Univ. Agri. Expt. Sta. Bul. 848, Nov. 1948), it was found that in a New York area 93 percent of these former students who went into farming had opportunities on their own family farms, in contrast to only 51 percent of those who went into nonfarm work. Of those in nonfarm occupations, 62 percent felt that the vocational training in agriculture had not helped them in their present jobs. The remainder reported only slight help. About three-fourths of these both in farm and nonfarm occupations said they would like more training in their present lines of work. They expressed a need for more training in mechanics and shop, accounting, industrial education, and trades.

The New York study recommended more balanced general education and guidance programs with emphasis upon the qualifications necessary for farming; an increase in work experience; supervised programs, and individualized instruction. Area vocational schools were also suggested.

The various followup studies of occupations indicate a need for (1) training in skills and concepts which can be used in a wide variety of jobs in the area, (2) occupational orientation courses, (3) out-of-school vocational classes, and (4) in-service training classes.

RECOMMENDATIONS

A concerted effort is needed to develop more effective training and guidance programs for rural youth. Local, State, and Federal governments should work with public leaders in education, business, industry, labor, and farming to this end. Efforts should be directed especially toward the low-income areas.

1. The U. S. Department of Agriculture in cooperation with other State and Federal agencies should undertake research studies in low-income rural areas. These studies should be designed to obtain information about the opportunities for youth in nonfarm occupations; to find out the extent to which vocational training is available to youths and young adults in low-income farm families; and to learn how much training farm boys are getting in nonfarm fields in the schools of these low-income areas. The studies should also assess the resources available to meet those needs.

Such facts would give a basis for the planning of needed action.

2. The Department of Health, Education, and Welfare, in cooperation with the Department of Agriculture and other State and Federal agencies should endeavor to establish several experimental and demonstration vocational training programs in typical low-income areas.

These demonstration centers would aim to develop techniques for counseling and guidance, testing for aptitude, and special lines of instruction adapted to the background and orientation of rural boys. Along with this would go programs of on-the-job and apprenticeship training, as well as followup studies to help size up and improve the programs. Such programs should be expanded as experience justifies.

3. The State colleges of agriculture and the Department of Agriculture should encourage farm leaders to participate in the State conferences on education such as are now (1955) being developed in connection with the White House Conference on Education. The objective would be to have the conferences consider vocational training needs of farm people for farm and nonfarm occupations.

Where there are many low-income families, the State conferences should discuss and recommend the steps necessary to improve vocational programs, including financing.

4. Strengthened vocational guidance services are needed in the counseling programs administered by the State educational agencies and the State employment services to serve the needs of youth in low-income farm families.

5. In view of the fact that for many years about half the farm youths have been leaving farms, public schools serving rural people need to emphasize training and counseling in skills which are in demand in nonfarm occupations.

6. Efforts should be made to get more young part-time farmers and small farmers to take part in vocational training or retraining programs. Training facilities should be expanded and strengthened. Training in skills, together with more information about outside jobs, would tend to increase employment of underemployed farm operators. Pilot programs in several areas should be set up to develop experience for training and retraining of adults.

7. An interdepartmental work group should be set up to study specific steps to meet educational needs in low-income farm areas. Possible improvements in the bases for allocating additional Federal grants in aid to vocational training should be considered so as better to meet these needs.

8. Progress in training and guidance programs should be accompanied by continuing efforts to improve basic educational programs and facilities of primary and secondary schools serving rural children and youth. Better school buildings and equipment, better rounded programs of study, and better quality of teaching are urgently needed in low-income areas.

The President's message to the Congress of February 8, 1955, recommended immediate action to help overcome school classroom shortages.

HEALTH

In rural low-income areas health services are generally inadequate, and the practices of low-income families lead to poor health conditions.

Much greater emphasis should be given to health education in these areas. Particular attention is needed with respect to (a) family health practices and (b) community solving of health problems. Existing extension and other programs directed toward the rural family should place more stress on health. These education programs should be designed to reach and serve low-income families more effectively. County or other local public health units should be more widespread; development of existing units is needed. Multi-county units are proving practical in sparsely settled areas. Recruitment of medical personnel, especially nurses, should be encouraged.

Development and use of voluntary health insurance to help families meet the costs of medical care and hospitalization also should be encouraged. Opportunities for group enrollment of farmers, other self-employed, and farm workers would help bring about greater coverage.

The establishment of a continuing basis for cooperation between agricultural agencies and health agencies at all levels is important if these agencies are to work most productively to promote the health of rural people.

THE AMENDED SOCIAL SECURITY ACT

The recent extension of social security legislation should strengthen the economic security of millions of farm families generally and have special significance for low-income farm families. There has been a growing awareness over the years of the need for social security for farm people. In 1950 the Social Security Act was successfully applied to nonfarm self-employed persons and to regular hired farm workers. More recently the program was extended to self-employed farm operators and to the bulk of the hired farm working force. Surveys made by the various land-grant colleges and the U. S. Department of Agriculture have disclosed that many farmers had not accumulated adequate resources for retirement and that a majority of them favored extension of social security to farm people.²

Beginning January 1, 1955, all farm operators who earn \$400 or more a year net income from their farming operations will be covered by the Old-Age and Survivors insurance program. Coverage has also been extended to hired farm workers who earn \$100 or more cash pay from any 1 farmer during 1 calendar year. The Social Security Administration estimates that about 3½ million farmers will come under these provisions, as well as about 2 million hired farm workers, in addition to the 700,000 hired hands to whom the law was previously applied.

As of January 1, 1955, farmers began to build up retirement credits and survivors insurance by paying a social security tax. This tax will be paid beginning in 1956, on 1955 incomes. Farm operators will pay a 3 percent tax on the first \$4,200 of their net income.

In return a farmer upon reaching the age of 65 will become entitled to a retirement benefit which will range from \$30 to \$108.50 a month,

² *Old Age and Retirement in Rural Connecticut*, Storrs Agricultural Experiment Station (in cooperation with BAE, U. S. Dept. of Agriculture) Bulletin 299, June 1953; *Farmers Conceptions and Plans for Economic Security in Old Age*, Wisconsin Agricultural Experiment Station (in cooperation with BAE, U. S. Dept. of Agriculture) Research Bulletin 182, September 1953; *The Farmer Looks at His Economic Security*, Texas Agricultural Experiment Station (in cooperation with U. S. Dept. of Agriculture) Bulletin 774, January 1954; *Attitudes of Farm Operators in Harrison County, Kentucky Toward Old-Age and Survivors Insurance Program*, Kentucky Agricultural Experiment Station (in cooperation with AMS, U. S. Dept. of Agriculture) Preliminary Report, June 1954. *Problems of Economic Security for Farmers in Reference to Social Security*, Maryland Agricultural Experiment Station, Miscellaneous Publication No. 169, June 1953. *Maryland Farmers Look at Social Security*, Maryland Agricultural Experiment Station, Bulletin No. 446, January 1954. *Old Age Plans and Programs of Farmers*: Tompkins County, New York, New York Agricultural Experiment Station, Bulletin A. E. 698, April 1949.

according to the amount of income upon which he has paid the social security tax (table 13). The farmer's wife, upon reaching age 65, also becomes entitled to a monthly benefit, so that for the farmer and his wife together the monthly benefit may be anywhere from \$45 up to \$162.80.

There are also survivors' benefits for a widow and children under 18 years of age.

Farmers who are now close to 65 years of age or over 65 can become insured under this program within 2 years and then be entitled to its benefits.

A few illustrations may help to make clear what these benefits are.

Suppose Farmer Brown is 50 years old, his wife is the same age, and he averages a net income of only \$1,200 a year. His yearly contribution will be 3 percent or \$36, which is to be paid at the time he pays his income tax for the preceding year.

Mr. Brown will be covered, beginning January 1, 1955, though he will not pay his first tax until early in 1956. If he keeps earning about the same income and retires after 15 years, when he and his wife have reached 65 years of age (assuming they have no children under 18), they will receive \$82.50 a month as long as both live, and the survivor will receive a reduced amount for the rest of his or her life.

But suppose Farmer Brown dies in 1958 after paying social security tax for only 3 years (\$108), leaving Widow Brown and 2 small children. As long as the children are under 18 years of age Mrs. Brown will receive each month a social security check for \$82.60.

For farmers who are near retirement age, the program is especially attractive. If Mr. Smith is 63 years old, his wife the same age, and he has the same farm income as Mr. Brown, he can retire after paying the tax for only 2 years.

TABLE 13.—*Social security benefits payable to those qualifying after August 1954*

| Average monthly earnings | Retirement benefits | | Payments to survivors | | |
|--------------------------|--------------------------|-----------------|-----------------------|-------------------|----------------------|
| | Worker's monthly benefit | Worker and wife | Widow, child, etc. | Widow and 1 child | Widow and 2 children |
| | <i>Dollars</i> | <i>Dollars</i> | <i>Dollars</i> | <i>Dollars</i> | <i>Dollars</i> |
| \$45..... | 30. 00 | 45. 00 | 30. 00 | 45. 00 | 50. 20 |
| \$100..... | 55. 00 | 82. 50 | 41. 30 | 82. 60 | 82. 60 |
| \$150..... | 68. 50 | 102. 80 | 51. 40 | 102. 80 | 120. 00 |
| \$200..... | 78. 50 | 117. 80 | 58. 90 | 117. 80 | 157. 10 |
| \$250..... | 88. 50 | 132. 80 | 66. 40 | 132. 80 | 177. 20 |
| \$300..... | 98. 50 | 147. 80 | 73. 90 | 147. 80 | 197. 10 |
| \$350..... | 108. 50 | 162. 80 | 81. 40 | 162. 80 | 200. 00 |

Because of this special provision for those nearing retirement age to become covered in a shorter than normal period, the benefits of this new coverage will be felt in rural communities within a few years. The financial burden of the Old Age Assistance program, which has been much heavier in rural than in urban areas, will be lightened as farmers and hired workers retire on insurance rather than on public assistance—which is financed in part by the State or locality. Persons under age 72 can earn as much as \$1,200 in a year and still receive all the social security benefits to which they are entitled. After age 72, a beneficiary can draw all his benefits no matter what amount he earns. There is a special provision to lighten the task of bookkeeping for small farmers. If the farmer's gross sales are not over \$1,800 in a year, he may simply estimate his net income as one-half the value of his sales, without itemizing expenses.

For larger-scale farmers there is a special provision which enables them to retain coverage for a year in which expenses were unduly high—or sales were unduly low because of crop failure or other reasons. If a farmer fails to show a net income of as much as \$900 under such circumstances, he may report and pay tax on \$900, provided his gross sales were more than \$1,800.

Farmers, as well as others concerned, will pay social security tax on only the first \$4,200 of the year's net income. Earnings above that are not taxed for social security purposes.

While the amended Social Security Act will bring under its coverage many low-income farm families, many other such families will not qualify. Farmers whose net income from the farm is under \$400, do not qualify for coverage.

In 1949 this lower limit would have eliminated between 40 and 50 percent of the farm operators in the South, their net farm incomes being under \$400. Some portion of these, however, may get coverage by reason of their employment in farm or other occupations covered by the law. Others may be able to raise their farm incomes above the \$400 mark and so get coverage. Data are lacking to estimate these various categories; studies should be made to obtain such information.

RECOMMENDATIONS

1. The recent extension of Old Age and Survivors Insurance to farmers and hired farm workers should be explained through an educational program to farm people in the low-income areas. This will involve information and studies of conditions facing farmers in those areas.

The Old Age and Survivors Insurance Program is something new to most farm people; they will look to extension services for information about its requirements and benefits. This is especially true of older persons who will want to retire fairly soon. Many low-income families are probably uncertain whether they are eligible under the law. Participation undoubtedly can be broadened if full information on eligibility requirements reaches farm families in these areas.

2. Research studies should be planned by agencies of the Department of Agriculture which are concerned with rural levels of living and related fields, to gage the developing effects and impact of the social security program on rural life.

APPENDIX TABLES

APPENDIX TABLE 1.—*Specified characteristics of commercial farms, generalized problem areas compared with the remainder of the United States, 1950*

| Area | Commercial farms ¹ | | Percentage of commercial farms | | | | |
|---|-------------------------------|--------------------------------|--------------------------------|----------------------------------|-------------|----------|--------------------------------|
| | Number | Percent of United States total | Small farms ² | Owners, part-owners and managers | All tenants | Croppers | Reporting tractor ^a |
| | Thou-sands | Per-cent | Per-cent | Per-cent | Per-cent | Per-cent | Per-cent |
| Generalized areas..... | 1, 401. 7 | 37. 8 | 70. 6 | 63. 4 | 36. 6 | 16. 0 | 34. 0 |
| Appalachian Mountains and border..... | 346. 9 | 9. 4 | 68. 6 | 82. 2 | 17. 8 | 5. 6 | 39. 7 |
| Southern Piedmont and Coastal Plains..... | 364. 9 | 9. 8 | 69. 7 | 54. 2 | 45. 8 | 21. 9 | 27. 1 |
| Southeastern Hilly..... | 237. 5 | 6. 4 | 83. 2 | 51. 0 | 49. 0 | 20. 0 | 23. 2 |
| Mississippi Delta..... | 166. 0 | 4. 5 | 70. 7 | 30. 1 | 69. 9 | 41. 7 | 26. 7 |
| Southwestern Sandy Coastal Plains..... | 90. 5 | 2. 4 | 70. 7 | 66. 8 | 33. 2 | 6. 7 | 35. 6 |
| Ozark-Ouachita..... | 94. 5 | 2. 5 | 71. 4 | 84. 1 | 15. 9 | 1. 7 | 33. 7 |
| Northern Lake..... | 68. 2 | 1. 8 | 53. 8 | 94. 3 | 5. 7 | ----- | 76. 3 |
| Northwestern New Mexico..... | 3. 1 | ----- | 61. 3 | 90. 8 | 9. 2 | ----- | 46. 0 |
| Cascade and Rocky Mountains..... | 30. 1 | . 8 | 42. 6 | 93. 3 | 6. 7 | ----- | 70. 7 |
| Remainder of the United States..... | 2, 304. 7 | 62. 2 | 27. 3 | 72. 6 | 27. 4 | 2. 4 | 74. 1 |

¹ Commercial farms are those having sales of \$1,200 or more and, in addition, farms with sales of \$250 to \$1,199 with the operator working off-farm less than 100 days and having farm sales exceeding income from other sources.

² Farms having gross sales of \$1,200 to \$2,499 plus farms having gross sales of \$250 to \$1,199 provided that the operators of this latter group worked off-farms less than 100 days and provided also that the income to the operator and his family from off-farm work was less than the value of all farm products sold.

APPENDIX TABLE 2.—*Specified characteristics, averages for commercial farms, generalized problem areas compared with the remainder of the United States, 1950*

| Area | Average per commercial farm | | | |
|---|-----------------------------|---------------------|------------------------------|-----------------------------|
| | Land in farms | Crop-land harvested | Value of land and build-ings | Value of farm products sold |
| | <i>Acres</i> | <i>Acres</i> | <i>Dollars</i> | <i>Dollars</i> |
| Generalized areas..... | 138. 0 | 40. 5 | 7, 662 | 2, 747 |
| Appalachian Mountains and border..... | 131. 5 | 40. 4 | 8, 691 | 2, 752 |
| Southern Piedmont and Coastal Plains..... | 126. 1 | 38. 6 | 6, 593 | 2, 613 |
| Southeastern Hilly..... | 108. 8 | 33. 8 | 5, 512 | 1, 912 |
| Mississippi Delta..... | 89. 4 | 45. 8 | 7, 841 | 3, 427 |
| Southwestern Sandy Coastal Plains..... | 220. 5 | 44. 6 | 8, 393 | 2, 775 |
| Ozark-Ouachita..... | 186. 0 | 40. 9 | 6, 941 | 2, 617 |
| Northern Lake..... | 156. 5 | 54. 7 | 9, 328 | 3, 429 |
| Northwestern New Mexico..... | 2, 334. 1 | 48. 2 | 23, 589 | 5, 238 |
| Cascade and Rocky Mountains..... | 194. 1 | 39. 8 | 19, 431 | 5, 652 |
| Remainder of the United States..... | 359. 2 | 117. 7 | 23, 798 | 7, 751 |

APPENDIX TABLE 3.—*Specified population characteristics of generalized problem areas, compared with the remainder of the United States, 1950*

| Area | Rural-farm population | | Percent distribution of rural-farm population 25 years old and over by years of school completed | | | |
|--|-----------------------|-------------------|--|-------------------|---------------------------------------|-------------------------------|
| | Number | Percent Non-white | Total | Less than 8 years | Completed 8 years but not high school | Completed high school or more |
| | <i>Thousands</i> | <i>Percent</i> | <i>Percent</i> | <i>Percent</i> | <i>Percent</i> | <i>Percent</i> |
| Generalized areas | 10, 979 | 24. 2 | 100. 0 | 55. 1 | 33. 3 | 11. 6 |
| Appalachian Mountains and Border | 3, 313 | 2. 5 | 100. 0 | 49. 4 | 37. 9 | 12. 7 |
| Southern Piedmont and Coastal Plains | 2, 832 | 39. 4 | 100. 0 | 65. 9 | 24. 8 | 9. 3 |
| Southeastern Hilly | 1, 694 | 40. 1 | 100. 0 | 58. 7 | 31. 0 | 10. 3 |
| Mississippi Delta | 1, 009 | 49. 7 | 100. 0 | 73. 4 | 20. 1 | 6. 5 |
| Southwestern Sandy Coastal Plains | 734 | 29. 9 | 100. 0 | 53. 1 | 35. 6 | 11. 3 |
| Ozark-Ouachita | 718 | 4. 7 | 100. 0 | 41. 7 | 45. 0 | 13. 3 |
| Northern Lake | 438 | . 9 | 100. 0 | 31. 5 | 50. 1 | 18. 4 |
| Northwestern New Mexico | 51 | 33. 3 | 100. 0 | 60. 5 | 24. 1 | 15. 4 |
| Cascade and Rocky Mountains | 190 | 1. 8 | 100. 0 | 20. 3 | 48. 5 | 31. 2 |
| Remainder of the United States | 12, 011 | 5. 8 | 100. 0 | 27. 4 | 46. 2 | 26. 4 |

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